

Indonesia's War on Terror

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PREFACE

Since its founding in 1994, the United States-Indonesia Society (USINDO) has striven to promote clearer mutual understanding and to establish a firmer basis for a productive relationship between the two countries. In pursuit of those objectives, USINDO commissioned a comprehensive review of the bilateral security relationship as it has developed with the commencement of the second Bush Administration and at the outset of the administration of President Susilo Bambang Yudhoyono in Indonesia. The preliminary findings of this review, based on extensive field work in Indonesia, were published in December 2004 in a brief experts' report, *Enhancing the U.S.-Indonesia Security Relationship, An Opportunity Not to be Missed*. The authors of this report continued their research with additional work in-country and have now published final reports in three separate but related monographs:

Towards a Stronger U.S.-Indonesia Security Relationship, by John Haseman and Eduardo Lachica examines the internal stability and civil security situation within Indonesia, together with prospects for defense sector reform and the development of police capabilities.

Indonesia and the United States, Shared Interests in Maritime Security by Bronson Percival analyzes the threats posed by terrorists to the strategic waterways that pass near and through the Indonesian archipelago. This trenchant review focuses on Indonesian organization and capabilities in the maritime sector.

Indonesia's War on Terror, by William Wise describes the threat from international terrorism and Jakarta's response. The desirability of law reform and improving Indonesia's intelligence capabilities are highlighted.

The unifying thread that binds the papers is the congruence of U.S. and Indonesian national interests in addressing these security challenges.

The authors of the monographs are acknowledged experts in their fields of research. They were given complete latitude to pursue their investigations and develop their analysis, conclusions and recommendations. USINDO believes that this project substantially contributes to an enhanced understanding of the important dimensions of regional and national security. The opinions and conclusions expressed by the authors are their own, however, and do not necessarily reflect the views of USINDO or its Board of Trustees.

ALPHONSE F. LA PORTA
PRESIDENT

INTRODUCTION

Speaking to business executives in Australia shortly after his October 2004 inauguration, Indonesian President Susilo Bambang Yudhoyono issued a declaration of war on international terrorism. In fact, parts of the Indonesian government had been fighting terrorists for several years. But, President Yudhoyono promised to bring a new energy, a clearer commitment to the task. After the terrorist bombings on the island of Bali in October 2002 and the Jakarta bombings of the J.W. Marriott Hotel in August 2003 and the Australian Embassy in September 2004, a declaration of war seemed in order.

This paper examines how Indonesia has responded to the presence of an international terrorist threat and how its international partners in the global war on terrorism have assisted the Indonesian government in combating the violent *jihadists*.

Chapter I recounts the investigation of the Bali bombings. This case awakened the government to the threat posed by terrorist elements loosely connected to al Qaeda, demonstrated the effectiveness of a task-oriented counter-terrorist force, and showed the value of international cooperation. Chapter II briefly sketches the history, structure and activities of Jemaah Islamiyah, the Southeast Asian terrorist network centered in Indonesia. Chapter III traces the development of counter-terrorist policies and instruments in Indonesia, highlighting the changes that occurred after the Bali bombings.

Chapter IV outlines the instruments employed by the Government of Indonesia to combat the terrorists. Chapter V details the foreign assistance provided to the Indonesian government for its war on terror. Finally, Chapter VI offers some conclusions and recommendations for Indonesia and its international partners.

The reader is forewarned that the paper has a number of limitations. First, the subject is *counter*-terrorism in Indonesia, not terrorism. Of course, a discussion of Indonesia's war on terror requires an appreciation for the threat posed by international terrorism. Fortunately, the research and writing on this subject is extensive and, in general, publicly available. For that reason, the paper does not delve deeply into the history, organization, personnel, and activities of Jemaah Islamiyah, the primary transnational terrorist organization based in Indonesia and operating throughout Southeast Asia, or its associated groups.

Second, the paper focuses on the problem of combating *international*, or transnational terrorism, that is, terrorists whose reach extends beyond Indonesia's borders. Indonesia does have problems with insurgencies in Aceh and Papua, with piracy and smuggling in its waters, with religious militants (some with international terrorist connections) who terrorize local communities, and, in the past, with rogue military elements. These groups commit crimes against the state and people of Indonesia and are dangerous in their own right. But they are not the focus of this work. (Companion monographs published by the United States-Indonesia Society do address some of these problems. See John B. Haseman and Eduardo Lachica, *Toward a Stronger U.S.-Indonesia Security Relationship* and Bronson Percival, *Indonesia and the U.S.: Shared Interests in Maritime Security*.)

Third, the paper makes only limited use of Indonesian language sources.

The author is indebted to many persons in Indonesia, elsewhere in the region and in the United States who educated him on the subject of terrorism in Southeast Asia. Many are soldiers in Indonesia's war on terror, or part of the international corps that is helping the Indonesian government. Most of these persons must remain unnamed, but the author is deeply grateful for their help. Their information was invaluable in writing the paper, though the errors in understanding and expression remain the author's alone.

CHAPTER I

ONE NIGHT IN BALI

At 11:05 PM on October 12, 2002 an electronically-triggered bomb blew apart Paddy's Bar, a popular night spot in Kuta on the Indonesian island of Bali. Seconds later, as the terrified and injured customers fled, another more powerful bomb hidden in a white Mitsubishi minivan detonated in front of the Sari Club across the street. A third bomb exploded near the U.S. Consulate. The carnage was almost incomprehensible. More than 200 victims—mostly young Australians, other foreign tourists, and Balinese employees of the clubs—lay dead or dying amidst the debris. Survivors, disoriented by the blasts, many bleeding profusely, severely burned or missing limbs, cried for help. The local hospital was overwhelmed, unable to care for the injured. Many feats of heroism were recorded that night, but many innocent persons died a horrible death.

A fortunate coincidence put Australian Federal Police (AFP) officers on the scene almost immediately.¹ Two separate AFP groups—a counter-narcotics team and an anti-human trafficking task force—were already working in Bali. Several AFP officers on leave from assignments with the United Nations in East Timor were there, as well. Also in Bali were two AFP officers working as liaison to the Indonesian National Police (*Polisi Republik Indonesia*, or Polri) in Jakarta. At 2:39 AM they notified AFP headquarters in Canberra that a horrendous explosion

had occurred killing at least 16 persons and injuring 20, though they did not know if there were Australian casualties. The watch officer awakened AFP Commissioner Mick Keelty at home. Keelty drove to his Incident Coordination Centre and, recognizing the severity of the situation, assembled his executive team. They watched as situation reports arrived through the night.

In the morning Keelty called General Da'i Bachtiar, Chief of Polri, in Jakarta. Bachtiar told him: "We don't know where this going to lead or who is involved. If you could give us some help, that would be good."

Keelty assigned AFP Director of National Investigations Tim Morris to head the AFP investigation in Australia. Morris had recently been tabbed to lead the AFP's counter-terrorism unit, established as a result of the 9/11 attacks in the U.S. To lead the AFP team in Bali, Keelty chose a veteran officer, Graham Ashton, AFP General Manager (Southern Region), who had served three years in the AFP Jakarta office and was fluent in Bahasa Indonesia.

The Australian Department of Foreign Affairs established a crisis center at 5:00 AM and held the first inter-agency task force meeting four hours later. Members of the task force realized, based on the 9/11 experience, that foreigners would surely begin fleeing Bali. There were 10,000 Australians in Bali, some of whom might have information vital to the investigation. That gave the AFP only a brief interval to capture this data. Tim Morris quickly had a questionnaire printed and forwarded to the 11 AFP officers in Bali. They arranged with Polri and airport officials in Bali to give one to every person departing Bali for Australia by air. In Australia, police met incoming flights to collect the questionnaires. This process allowed the AFP to identify witnesses with pertinent information and to account for Australians who were in Bali at the time. AFP intelligence teams immediately processed the questions and began to assemble a picture of what happened on that terrible night.

AN EARLY BREAK

Meanwhile, Indonesian police scored an early success—the discovery of a motorbike abandoned at a Bali mosque. The exploding bombs had awakened a sleeping guard at the mosque. The guard later observed two men park the

motorbike there. The next morning it was still at the mosque, along with two helmets and a pair of gloves. The guard noticed that the bike had three suspicious switches on the left side of the seat. Believing it might have been related to the bombing, the guard notified police. According to Morris, “Indonesian police were very quickly able to establish it had been bought just a few days before from a bike shop. . . . Then people from the bike shop said they remembered those who bought the bike, as they had paid 9 million rupiah in cash. The buyers also asked how much they would get for the bike if they sold it back to the shop in a few days’ time, which stuck in the minds of the shop assistants. Very good descriptions were provided to an Indonesian artist who then did pencil sketches from what the people in the shop said.”²

The AFP realized that they could help in the identification of the suspects. They arranged for police specialists in the use of the Facial Automated Composition and Editing software, known as the “Face Fit” system, to fly to Bali. Using the program, AFP developed three Face Fits that were circulated in the media throughout Indonesia and beyond, giving the police investigators their first real leads.

While police were developing the Face Fits, AFP officers were sifting through the witness reports collected from air passengers returning to Australia. A few reported seeing a van parked outside the Sari Club just prior to the explosion. The information was passed to the Indonesian and Australian forensic investigation teams that were combing through the debris of the 40,000 square meter blast area. They recovered numerous pieces of a Mitsubishi L300 van that looked like it could have been the bomb vehicle.³

ASSEMBLING THE INTERNATIONAL TEAM

Mick Keelty flew to Indonesia and within days of the blast had discussed establishing a joint investigation with Polri chief, General Bachtiar. Indonesia and Australia had already signed a memorandum of understanding concerning joint operations, but formalizing a joint investigation was politically sensitive and required more coordination.

General Bachtiar recognized that he needed a highly qualified, professional

officer—one who would also understand the extreme sensitivity of the Bali situation—to lead the investigation. He chose then-Brigadier General I Made Mangku Pastika, a Balinese Hindu and veteran of 29 years in Polri. General Pastika recalls, “On October 16, I was speaking at an international seminar in Jayapura [West Papua]. Someone said, ‘Excuse me, General, there is a telephone call.’ I made a joke that there are only two people who can interrupt me—KaPolri [Police Chief Da’i Bachtiar] and my wife. It was Pak [Mr.] Bachtiar. He said, ‘You are the Chief Investigator for the Bali investigation. I have talked to the journalists already. You must go to Bali as soon as possible.’”⁴

On October 18, three days after meeting with the AFP Commissioner, Bachtiar escorted Australian Prime Minister John Howard and Keelty through the bombing site. They signed the joint operation agreement later that day with General Pastika and Ashton. Having a joint agreement validated AFP participation and the Australians acknowledged Polri’s lead.

Keelty was very pleased to find Pastika heading the investigation for Polri. They were, in fact, old friends. Keelty and Pastika and their families had met while the policemen attended the AFP’s Management of Serious Crime course in Canberra in 1993. The friendship continued when Pastika worked with AFP officers as Chief Liaison Officer in East Timor in 1999. He was respected as a man of integrity in a police force known primarily for its abuses. His determination, matched with a calm and commonsense approach, inspired confidence in his men and others with whom he worked.

A graduate of the Indonesian Police Academy, General Pastika had attended training courses in Japan and Germany, as well as Australia, and served in Jakarta, East Timor and Papua. In August 1999, as Police Chief of Nusa Tenggara Timur Province (adjacent to East Timor), he led the investigation into the murders of three UN officials by militia members supported by the Indonesian Army. Later, he directed the disarming of the entire militia unit. As Police Chief in West Papua in October 2001, he had taken on Kopassus, the Indonesian special forces, in a high profile investigation of the murder of a Papuan independence leader and when he began the investigation of the murder of three schoolteachers, including two Americans, at Timika in August 2002. After tak-

ing over the Bali bombing investigation, General Pastika told his team, “We will catch these people, bring them to trial and make all of you proud.”⁵

Graham Ashton had arrived in Bali within 24 hours of the bombing. Accompanying him were disaster victim identification experts, police investigators, Australia Security Intelligence Organization and Defence officers, and explosive ordnance experts. AFP forensic experts soon joined the team. Polri and AFP agreed that they would each take forensic samples, analyze them in their own laboratories, and compare the results. Discrepancies would be sent to a third party lab.

The experts scoured the crime scene for traceable evidence that would lead to information about the construction of the bomb, the container that held it, the detonator, and the vehicle that carried it. An international team of 510 police and forensic specialists—400 Indonesians and 110 foreign experts from the AFP, FBI and Scotland Yard, as well as Germany and Japan—spent 34 days inspecting the area. Their expertise included explosive ordnance identification, DNA, chemistry, ballistics, metallurgy, geology and vehicle identification specialists from Mitsubishi in Japan. Despite contamination of the crime scene by rescue efforts and a burst water main, the team was able to piece together evidence of what occurred when the bomb exploded at the Sari Club.

THE POWER OF PRAYER

But the Mitsubishi L300 yielded no clues. Indonesian and Australian forensic experts examined the minivan wreckage several times and were disappointed to discover that the chassis and engine block numbers had been rubbed off. Although they were able to restore some numbers using a chemical process, they could not identify the vehicle. Ashton returned briefly to Australia to brief Keelty. General Pastika was very discouraged by what he thought was a dead end, and he turned to prayer. He was a deeply religious Hindu so it surprised no one when he announced he was going to Besakih temple, high on the slope of Mount Agung. According to Australian scholar Greg Barton, “the Besakih temple complex is the most important and sacred of Bali’s many temple complexes.” Pastika remembered, “I had a feeling that we were missing something.”⁶

Meanwhile, a member of the Indonesian forensic team decided to take another look at the L300 chassis. In the process he noted a metal strut that appeared to have been welded onto the original chassis. Using a hammer and chisel, he chipped it off. “Underneath,” according to Keith Moor, “was a complete and pristine unique identifying number. Unknown to the bombers, who thought they had destroyed all identifying numbers, vehicles registered in Bali have a third identifying number stamped on the chassis,” distinct from the usual chassis and engine lock numbers.⁷

While Pastika was praying, his cell phone rang. The excited Indonesian forensic expert said, “General, are you still praying?” Pastika replied that he was. “Well,” said the voice at the other end, “it has worked, because I have just found a number on the chassis.” It took only a few days to track down the owner of the 1983 Mitsubishi L300. The minivan was first registered in Bali in 1987 and had served as a minibus. It passed a roadworthiness check as part of the registration process and the inspector hammered the number DPRI6463 into the front left side of the chassis. Later, one of the minivan’s seven owners welded a support strut to the chassis in order to strengthen it, obscuring the unique number.⁸

Indonesian investigators quickly followed the chain of ownership to East Java where the sixth owner told them he had sold it to a man named Amrozi bin Nurhasyim, who lived nearby in Lamongan district. Amrozi had explained his interest in buying the minivan, saying that he wanted a vehicle registered in Bali and paying for it in Malaysian ringgit and U.S. dollars. The vehicle registration records showed Amrozi had purchased the vehicle in September 2002.⁹

THE PLOT UNRAVELS

Amrozi was a known quantity to the Indonesian police. He was a member of the militant Islamic group, Jemaah Islamiyah (JI), as were his brothers. According to Moor, Amrozi also bore a striking resemblance to one of the Face Fits prepared from the description of the three men who bought the motorbike suspected of being used in the bombings. His younger brother, Ali Imron, looked exactly like one of the other Face Fits.

Two days after discovering the stamped number, Indonesian police had

Amrozi's home in Tegglun, East Java, under surveillance. General Pastika ordered his men to make the arrest early the next morning, November 5. Amrozi was asleep in the rear of the house. According to Greg Barton's account, Amrozi did not attempt to escape, but laughed instead, later exclaiming, "Gosh, you guys are very clever—how did you find me?"¹⁰

Amrozi's mobile phone—a particularly important piece of evidence—was seized during his arrest. Bags of chemical ingredients for bombs were found in his workshop and soil samples taken from outside his home showed traces of the primary chemical used in the Sari Club bomb. Police found receipts for the purchase of chemicals used to make the bombs, as well as a list of expenses incurred in making the bombs. Further search of Amrozi's home revealed copies of 22 speeches by Usama bin Laden, the head of al-Qaeda, and Abu Bakar Bashir, the radical Indonesian Muslim cleric reputed to be the leader of JI. The speeches exhorted listeners to wage *jihad*. Police also uncovered training manuals on ambush techniques and numerous articles on *jihad*.

Under questioning Amrozi revealed the names of six others involved in the bombing: Ali Imron, Imam Samudra, Dul Matin, Idris, Abdul Ghani and Umar Patek. But Amrozi's mobile phone proved to be the real catch. Indonesian investigators were able to print out a list of calls he had made immediately before, during and after the bombing, as well as the names and telephone numbers in the phone's memory. Pastika kept Amrozi's arrest secret for two days. After it was announced, Polri and AFP monitored the sudden flurry of communications among numbers listed in Amrozi's telephone before the calls abruptly ceased. The investigators were able to identify the location of a number of the telephones, leading to a series of arrests.

Police identified 11 others involved directly in planning and executing the bombings. The conspirators were aided by dozens more accomplices. Polri and AFP set about tracking down the rest of the terrorists. They gave priority to Imam Samudra, already a suspect in a wave of church bombings across Indonesia on Christmas Eve 2000.

Meanwhile, forensic experts continued their work at the bomb scenes: the Sari Club, Paddy's Pub and the U.S. Consulate. Searching systematically

through tiny bits and pieces of debris—human DNA as well as chemical residue from the bombs—the specialists determined that the bomb at the Sari Club contained potassium chlorate, the explosion in Paddy’s Pub was a separate incident probably set off by a suicide bomber, and the detonator used on the bomb at the U.S. Consulate was a Nokia 5110 mobile phone.

The manhunt for the bombers continued. Through intelligence and evidentiary analysis, police identified, located and arrested Abdul Rauf, a suicide bomber recruiter and close associate of Samudra, on November 19. Interrogation of Rauf, review of his e-mail account and exploitation of his mobile phone pointed to Imam Samudra’s location. Samudra had sent several e-mail messages to Rauf immediately after the bombings, thanking him for his contribution. Other messages indicated that at least one additional attack was being planned, but would not occur until Samudra gave the order. Another e-mail told Rauf that Samudra was about to escape to Sumatra through the West Java ferry port of Merak.¹¹

A joint Polri-AFP team of more than 30 police officers was dispatched to Merak. One officer noticed a man with a cap over his face slumped down in his seat in the back of a bus. As police approached, he tried to escape but was trapped in the bus.¹² Polri arrested him on November 21.

“Imam Samudra showed no remorse for the bombings and was proud of his act,” Ashton later recalled. “His motivation for the bombings was the perceived oppression of Muslims by the West, particularly the USA. . . . Bali was a place where international tourists congregated. That is, Jews, Israelis, Americans, Australians, and other nations involved in the destruction of the Islamic community in Afghanistan during Ramadan, the holy Muslim fasting month of 2001. Bali was the place where drugs were sold and used. Bali was the most immoral place in the world amongst a nation where the majority of the population was Muslim.”¹³

When arrested, Samudra was carrying a false passport and a laptop computer. Examination of the computer hard drive revealed pornographic photos of Western women, pictures of Abu Bakar Bashir and disturbing images of the dead from the Bali bombing. Australian technical experts also found that Samudra posted a statement on an Internet website taking credit for the Bali attacks.

Two weeks later, on December 3, Polri arrested Amrozi's elder brother, Ali Gufron, alias Mukhlas, in Java. Mukhlas told police that he was the head of one of Jemaah Islamiyah's four cells and had ordered the Bali bombings. He also confessed that a fellow JI leader Riduan Isamuddin, known as Hambali, had provided the funds for the attacks. He told police, "I do not know for sure the source of the aforementioned money from Hambali; most probably it was from Afghanistan, that is, from Sheikh Usama bin Laden. As far as I know, Hambali did not have a source of funds except from Afghanistan."¹⁴ Another JI operative, Wan Min bin Wan Mat, revealed to police that he had given Mukhlas \$35,000 at Hambali's request and that "he understood part of the money had come directly from al-Qaeda."¹⁵

ANOTHER BREAKTHROUGH

Police finally captured Amrozi's younger brother, Ali Imron, at a fish farm on the remote island of Berukang in East Kalimantan, Indonesia, on January 13, 2003. He was hiding with Mubarok, a Jemaah Islamiyah member and participant in the bombing plot, and Susanto, an accomplice. Questioning of Mubarok revealed that, like many others involved in the bombing, he was a veteran of the *mujahidin* war against the Soviet Union in Afghanistan. He had established Jemaah Islamiyah contacts with the Moro Islamic Liberation Front (MILF) in the southern Philippines and taught military skills to JI members. His bank account was used to funnel funds to the Bali bombers and he helped drive the Mitsubishi L300 from Java to Bali.

Ali Imron's interrogation led police to another important breakthrough in the case: the bomb factory. He described to police how the Sari Club bomb was built, what was in it and who assembled it. He led investigators to a two-story house at 18 Manjangan Street in Denpasar, Bali. Fortunately, no one had disturbed the site since the bomb makers departed three months earlier. Forensics experts took scrapings from a footprint on a newspaper (matched to Amrozi's right foot), swabs from the garage and stairs (matching the bombers' fingerprints), spots found on a set of scales (matching Imron's right thumbprint), samples vacuumed from the floors. The samples showed the presence of chemical

ingredients used in the three bombs, including the potassium chlorate used in the Sari Club device. The forensic team also found corroborating evidence during tests on vehicles (including Imron's fingerprints on the discarded motorbike) and houses used by the conspirators, and helped identify the Sari Club suicide bomber.¹⁶

The investigators were thus able to recreate the bombers activities. Amrozi, Idris and Ali Imron had simply walked into a dealership and purchased a new Yamaha FZ1R motorbike, after asking how much they could resell it for if they returned it in a few days. Imron used the motorbike to plant the small bomb outside the U.S. Consulate. Idris then rode the motorbike as Imron drove two suicide bombers in the Mitsubishi L300 to the nightclub district in Kuta. He stopped near the Sari Club, instructed one suicide bomber to put on his explosives vest and the other to arm the vehicle bomb. The first bomber headed to Paddy's Pub. Idris then left the second bomber, who had only learned to drive in a straight line, to drive the minivan the short distance to the Sari Club. Idris picked up Imron on the Yamaha and the duo headed back into Denpasar. Idris dialed the number of the Nokia 5110 to detonate the bomb at the Consulate. The two suicide bombers exploded their devices. Imron and Idris dropped the motorbike at the mosque where it eventually attracted the attention of the caretaker.¹⁷

THE WAKE-UP CALL

As tragic as the loss of innocent life was, the Bali bombings were important to counter-terrorism for several reasons. First, they were a wake up call to Indonesian political and civil society leaders. The attacks killed 202 persons from 21 countries, including seven Americans. Polri officials knew there were terrorists in their midst. Terrorists had struck before in Indonesia. But politicians and religious leaders were in denial. They did not appreciate the extent of the JI terrorist network, or its foreign connections. The bombings brought home the reality of international terrorist violence in Indonesia.

Second, the arrest of the terrorists illustrated both the skills and shortcomings of Indonesia's intelligence and law enforcement agencies. Indonesian

police surprised many in their own country by quickly and successfully uncovering evidence, pursuing suspects, and bringing them to justice. Many Indonesians perceived the arrests of the conspirators as part of an American CIA plot in part because they underestimated their own police. On the other hand, as a consequence of bureaucratic rivalries, the government did not effectively employ all its resources to solve the crime. Evidence suggests that some in the Indonesian military and its intelligence arm attempted to undercut the police investigation at every turn.

Finally, the bombings proved the extraordinary value of international cooperation in combating terrorism. The multinational team brought together a unique set of investigative skills and technologies. Managing their activities and utilizing their resources presented a challenge. The governments of Indonesia and Australia officially recognized General Pastika's professionalism as the driving force in the investigation. Polri's ability to work with foreign experts played a major role, aided immeasurably by Pastika's pre-existing friendship with Mick Keelty and the cultural awareness and language skills of Graham Ashton. These factors were the direct consequence of Australian policy to assist in training Indonesians and to equip their own personnel to work closely with Polri.

Despite the arrests and convictions of many conspirators in the Bali bombing, not all the terrorists involved have been apprehended. Two Malaysian bomb makers—Noordin Mohammed Top and Dr. Azahari Husin—remain at large and are believed to have masterminded subsequent bomb attacks in Jakarta. They are brothers-in-law of the Bali bombing ringleader, Mukhlas. It's all in the family, so to speak, and the family is extremely dangerous.

CHAPTER II

JEMAAH ISLAMIYAH

BEGINNINGS

Jemaah Islamiyah and its kindred groups drew their inspiration from Darul Islam, the Muslim guerrilla force that fought against both Dutch colonial forces and the secularist-nationalist movement headed by Sukarno (who subsequently became Indonesia's first president) beginning in the 1940s. The conflict between Islamists, who envisioned an Islamic state, and secularists had been settled in favor of the latter by the 1945 Constitution. But Darul Islam elements continued to foment sporadic rebellions in West Java and South Sulawesi through the 1950s and into the early 1960s. These activities subsided after their leader was captured in 1962. According to the International Crisis Group (ICG), however, the Indonesian military undertook an elaborate sting operation in the late 1970's that drew radical Islamists, including Darul Islam fighters, out of hiding. Through inducements, probably financial, the military encouraged Darul Islam leaders to reactivate their movement.¹⁸

The sting operation was apparently designed to create an extremist threat that the government could put down. But it had several unintended consequences, one of which was the establishment of Jemaah Islamiyah, or "Islamic community," as a precursor to a new Darul Islam group. The timing was perfect, as the rejuvenated organization tapped into the energy generated by the

Iranian Revolution of 1979. Fed by radical literature from the Middle East and South Asia, and opposition to Indonesian government policies, the movement grew in the Indonesian areas where Darul Islam had simmered a generation earlier.

Abu Bakar Bashir and Abdullah Sungkar, two activist Muslim clerics with a history of calling for the imposition of *sharia* (Islamic law) in Indonesia, became associated with this movement. In particular, they were attracted to the notion of an Islamic state. In 1971 they had established Pesantren al-Mukmin, an Islamic boarding school in the village of Ngruki, Solo, in Java, where they taught their extreme view of “pure Islam.” (This school later became known as Pondok Ngruki.) Bashir and Sungkar were arrested in 1978 for being members of a clandestine organization, promoting *jihād*, and refusing to acknowledge the primacy of the 1945 Constitution and Pancasila, the state ideology enshrined therein. They were eventually tried and convicted and in 1982 sentenced to nine years in prison. On appeal, their sentences were reduced to time served and the two returned to Pondok Ngruki where they built an impressive network of graduates and supporters in Central Java. But the prosecution then appealed the sentence reduction in February 1985 and the Supreme Court reinstated their sentences. Fearing a return to prison, the two clerics and some of their followers sought refuge in Malaysia where they established another religious school.¹⁹

TRAINING JIHADISTS IN AFGHANISTAN AND MINDANAO

During their lengthy exile in Malaysia, Bashir and Sungkar recruited new adherents to their neo-Wahhabi brand of Islam and maintained contact with supporters not only in Central Java, but also elsewhere in Indonesia. They emended their concept of an Islamic state in Indonesia, embracing the idea of a pan-Islamic nation sweeping across the southern flank of Southeast Asia. They also became a central focus for the recruitment of Southeast Asians to fight against the Soviet Union in Afghanistan. They dispatched the first small group of Islamic fighters in 1985, following up with a larger group of 50–60 recruits in 1986. The recruits, traveling under false documentation, went initially to Peshawar, Pakistan for processing, then to Camp Sada in northwest

Pakistan where they trained under the watchful eye of the well-known Afghan *mujahidin* commander, Abdul Rasul Sayyaf, an associate of Usama bin Laden.

According to ICG, a critical bonding experience occurred when this early group of Indonesian fighters fought with Usama bin Laden and other *mujahidin* at the crucial Battle of Jaji. There an undermanned Afghan mujihidin force blocked a major Soviet advance. The experience helped to cement the Indonesians' ties with each other and their relationship with future al Qaeda leaders. When the second group of Indonesians arrived in 1986, Sayyaf assigned them to a separate, fully equipped training area for Southeast Asians within the Sada complex. A formal three-year training program was established for Southeast Asians in 1991. Following the 1992 establishment of the *mujahidin* coalition government in Afghanistan, a new training site was set up for Southeast Asians outside of Torkham, Afghanistan.

Fathur Rahman al-Ghozi, an Indonesian graduate of Pondok Ngruki, played a prominent role at the Torkham installation. There he also met Moro Islamic Liberation Front (MILF) leaders from the southern Philippines. In 1996 the JI leadership asked al-Ghozi to establish a training site—Camp Hudaibiyah—within the MILF's Camp Abu Bakar complex in Mindanao. In 2000, however, the Armed Forces of the Philippines overran Camp Abu Bakar. JI was forced to move its training activities elsewhere in the southern Philippines and eventually to a new site in Indonesia near Poso, Sulawesi. ICG estimates that more than 200 JI members trained in Afghanistan from 1985 to 1995 and even more than in Mindanao from 1996 to 2001. All senior members of Jemaah Islamiyah's central command trained in Afghanistan, before JI was formally established. The "Afghan alumni" later trained the next generation of *mujahidin* in Mindanao. The *jihadist* mindset and the international connections created by this training proved to be enduring.²⁰

FORMAL ESTABLISHMENT OF JEMAAH ISLAMIYAH

In 1992 Abdullah Sungkar and a long-time colleague associated with the Darul Islam legacy had a falling out over issues of religious orthodoxy. Sungkar traveled to Pakistan where he asked the trainees at Camp Sada to choose between

himself and his disputant. (According to Zachary Abuza, Sungkar also met Usama bin Laden on the Afghan border and pledged his personal loyalty to him.) This cleavage resulted in the establishment of Jemaah Islamiyah as “a separate and distinct” organization.

Jemaah Islamiyah was formally established on January 1, 1993. From the outset, JI leaders concentrated on consolidating and building the organization for *jihād* in Indonesia, though the pace of the effort became a contentious issue. Their agenda involved religious education and indoctrination, as well as the military training in Afghanistan and Mindanao described above. ICG observed that JI’s religious study sessions in Singapore, Malaysia and Indonesia during the mid to late 1990s were designed to attract recruits, “but they were also seen as essential preparation for a coming war.”²¹

Sungkar and Bashir created a formal military-style structure for JI, described in a book entitled *General Guidelines for the Jemaah Islamiyah Struggle*. According to the book and to interrogation of members, JI was commanded by an *amir*, a position occupied by Abdullah Sungkar until his death in 1999 and then by Abu Bakar Bashir. The *amir* appointed and directed a five member Regional Advisory Council located in Malaysia. This group appointed a central command, the *markaziyah*, responsible for overseeing geographic and functional elements. In practice, members of the central command appeared to be more important in setting policy and deciding on operations.

Ji was initially organized with two geographic regions, or *mantiqis*. Mantiqi I covered Singapore and Malaysia, and concentrated on fund raising. Mantiqi II covering Java, Sumatra and most of eastern Indonesia, was the target for *jihād*. Mantiqi I included many of the key JI leaders, several of who were directly connected to the Bali bombings. (Hambali was its first chief, followed by Mukhlas.) Mantiqi III was set up in 1997 and covered Sabah (Malaysia), the Indonesian regions of East Kalimantan and Sulawesi, and Mindanao (Philippines). Mantiqi IV covered Papua (Indonesia) and Australia, considered a fund raising area. Each *mantiqi* was organized into branches and further divided into functional cells responsible for fund raising, religious study, security, and operations.²²

ABU BAKAR BASHIR'S RETURN TO INDONESIA

After the Suharto regime ended in 1998, Sungkar, Bashir and many of their coterie returned to Indonesia. Around that time, JI's central command in Malaysia decided that Indonesia was ready for *jihad*. ICG reported that, during a 1999 trip to Jakarta, Abdullah Sungkar asked Achmad Roihan, a Mantiqi II (Indonesia) leader, why *jihad* had not yet begun. Roihan replied that human resources were insufficient, and there were no clear operational targets. Arguing from the more cautious perspective of Mantiqi II leaders, Roihan said JI needed to step up education and training inside Indonesia and get a stronger local support base before it could act. Sungkar complained that Mantiqi II's training program would take too long.²³

Mantiqi II leaders also noted that Indonesia differed markedly from Afghanistan where Muslims had clearly been attacked by the Soviet Union. They questioned whether there was a clear enemy to fight in Indonesia. The Indonesian leaders believed JI would be ill advised to spend scarce resources on waging a *jihad* under such circumstances. Instead, they advocated pursuing a long-term strategy to develop cadre and a target date of 2025 for establishing an Islamic state in Indonesia.²⁴

According to ICG, JI leaders also disagreed with Abu Bakar Bashir's decision to accept the leadership of the Majelis Mujahidin Indonesia (MMI), a Yogyakarta-based organization set up to promote the adoption of *sharia* (Islamic law). Many JI leaders were reportedly distressed by Bashir's decision. Some thought it dangerous for JI, a clandestine organization, to exist alongside MMI, an open one, particularly when membership between the two overlapped. Others worried that Bashir would be unable to devote adequate attention to running JI.²⁵

JEMAAH ISLAMIYAH OPERATIONS

Jemaah Islamiyah cells in Malaysia, Singapore, Indonesia and the Philippines conducted casing operations and constructed plans to attack a range of targets in the region. They were responsible for several bombings and assassinations across the region. JI's penchant for security successfully concealed its activities

from many governments. Post-Suharto Indonesia proved to be a fertile ground for Islamic radicals intent on using religious violence to mobilize supporters and attack the government, despite the internal disagreements and other problems. Rand Corporation analyst Angel Rabasa described the political environment thusly: “Diminished state capacity, political and economic vulnerability and the unresolved issue of Islam in politics made Indonesia an attractive target for Islamic extremists—both tactically, as a base for recruitment and a launch pad for attacks, and strategically, as a potential component of their vision of an Islamic state in Southeast Asia.”²⁶

Jemaah Islamiyah also maintained alliances with a loose network of like-minded regional organizations that shared a common commitment to *jihad*, but chose to express that commitment in different ways. In Indonesia, some elements of JI made common cause with extremist groups involved in communal conflicts in 1999 in the Maluku and, in 2000 and 2003, in Poso, Central Sulawesi. The Makassar bombings in December 2002—in which three persons died in a McDonald’s restaurant and a car dealership owned by current Vice President Jusuf Kalla was destroyed—were another example of JI liaison with other groups. These bombings were not the work of JI, according to ICG, but were carried out by extremists whom JI had trained in Mindanao and who had the motivation, manpower, and skills to execute a JI-style operation. JI also made very pragmatic use of criminals as necessary, particularly in Ambon.²⁷

HAMBALI AND THE AL QAEDA CONNECTION

From the transnational terrorism perspective, Hambali is the most interesting Jemaah Islamiyah personality. Born and educated in Indonesia, he became al Qaeda’s primary operative in Southeast Asia. After moving to Malaysia in the early 1980’s to look for employment, Hambali became a follower of Abdullah Sungkar and other radical Islamist clerics. Sungkar first inspired Hambali to share the vision of establishing an Islamic regime in Southeast Asia, then furthered Hambali’s education in *jihad* by sending him to Afghanistan in 1986 as part of the second cohort. After undergoing training at Abdul Rasul Sayyaf’s Camp Sada in Pakistan, Hambali fought against the Soviets in Afghanistan.

He eventually returned to Malaysia after 18 months. By 1998, Hambali headed JI's Mantiqi I (Singapore/Peninsular Malaysia). "Also by 1998," according to the 9/11 Commission Report, "Sungkar and JI spiritual leader Abu Bakar Bashir had accepted bin Laden's offer to ally JI with al Qaeda in waging war against Christians and Jews."²⁸

Hambali met with September 11 attack planner Khalid Sheikh Mohammed, referred to by the 9/11 Commission as "KSM," in Karachi to arrange for Jemaah Islamiyah members to receive training at al Qaeda's camps in Afghanistan. In addition to his close working arrangement with KSM, Hambali soon began dealing with another 9/11 conspirator, Mohammed Atef, as well. According to the 9/11 Commission Report, "al Qaeda began funding JI's increasingly ambitious terrorist plans, which Atef and KSM sought to expand. Under this arrangement, JI would perform the necessary casing activities and locate bomb making materials and other supplies. Al Qaeda would underwrite the operations, provide bomb making expertise, and deliver suicide operatives."²⁹

Around that time—summer of 2001—KSM suggested to Atef that al Qaeda sponsor attacks in Thailand, Singapore, Indonesia and the Maldives. The proposals were never acted on, although Hambali's JI operatives did some casing of possible targets.

The al Qaeda-JI partnership did yield a number of proposals that would marry al Qaeda's financial and technical strengths with JI's access to materials and local operatives. Here, Hambali played the critical role of coordinator as he distributed al Qaeda funds earmarked for the joint operations. In one especially notable example, Atef turned to Hambali when al Qaeda needed a scientist to take over its biological weapons program. Hambali obliged by introducing a US-educated JI member, Yazid Sufaat, to Ayman al Zawahiri in Kandahar. In 2001 Sufaat spent several months attempting to cultivate anthrax for al Qaeda in a laboratory he helped set up near the Kandahar airport.³⁰

Hambali did not originally point JI's operations toward attacks on the United States, but his involvement with al Qaeda appears to have inspired him to pursue American targets. "KSM, in his post-capture interrogations, took credit for this shift, claiming that he urged the JI operations chief to concentrate on

attacks designed to damage the U.S. economy. Hambali's newfound interest in striking against the United States manifested itself in a spate of terrorist plans. Fortunately, none came to fruition."³¹

Hambali's role in arranging the financing for the Bali bombings was described in Chapter I. The post-incident investigation also revealed Hambali had been involved in an early 2002 meeting in Bangkok at which the attack was planned.

Though Hambali had a close relationship with Mohammed Atef and KSM, he maintained JI's institutional independence from al Qaeda, according to the 9/11 Commission Report. In his interrogations, Hambali insisted that he did not discuss operations with bin Laden or swear allegiance to him, "having already given such a pledge of loyalty to Abu Bakar Bashir." Hambali explained that "he received his marching orders from JI, but al Qaeda would lead any joint operation involving members of both organizations." According to KSM, his close relationship with Hambali provoked criticism from Bashir who thought Hambali should focus more directly on Indonesia and Malaysia instead of involving himself in al Qaeda's broader terrorist program. Indeed, said the 9/11 Commission, "KSM described Hambali as an al Qaeda member working in Malaysia."³²

In August 2003 Hambali was captured by Thai authorities acting in response to information and encouragement provided by the United States. The CIA removed him from Thailand to an undisclosed location where he has undergone many months of interrogation. The government of Indonesia has repeatedly sought access to Hambali, hoping to gain information that would aid in prosecuting Abu Bakar Bashir and other JI terrorists. U.S. policy is to deny their requests for face-to-face questioning. While American officials generally say only that this policy was made "at the highest levels," a few confirm that President Bush himself made the decision.

AL QAEDA AND JEMAAH ISLAMIYAH

ICG analysis is particularly helpful in understanding the current relationship between al Qaeda and Jemaah Islamiyah. Early accounts of terrorism in South-

east Asia portrayed JT as being tightly integrated into al Qaeda. According to ICG, JT's relationship with al Qaeda is more complex: "JT has elements in common with al Qaeda, particularly its *jihadist* ideology and a long period of shared experience in Afghanistan. Its leaders revere bin Laden and seek to emulate him and have almost certainly have received direct financial support from al Qaeda. But JT is not operating simply as an al Qaeda subordinate. Virtually all of its decision making and much of its fund raising has been conducted locally. And its focus, for all its claims about wanting to establish a caliphate in Southeast Asia, continues to be on establishing an Islamic state in Indonesia." Despite the emphasis on mass casualty attacks against the U.S. and other Western targets since the Bali bombings, "the emphasis on *jihad* in Indonesia remains strong."³³

ICG ominously concluded that history, ideology, education, and marriage bind JT's core group and the looser network of like-minded organizations. "They share a commitment to implementing *salafi* teachings—a return to pure Islam practiced by the Prophet—and to *jihad*. These bonds are likely to enable the network to survive police efforts to dismantle it."³⁴

CHAPTER III

THE ROOTS OF COUNTER-TERRORISM

PRESIDENT MEGAWATI'S POST-9/11 VISIT TO WASHINGTON

Despite mounting evidence of a terrorist threat from the Jemaah Islamiyah organization, Indonesian political and civil society leaders remained in a state of denial until awakened by the Bali bombings. The Megawati administration was apparently divided, with a small number of officials in BIN, the National Intelligence Agency, and Polri being concerned about reports of terrorist plots, while most government officials doubted that Muslim extremists would strike Indonesia.³⁵ Still, the September 11, 2001 al Qaeda terrorist attacks on the World Trade Center and the Pentagon deeply affected President Megawati Sukarnoputra. With a Washington trip already on her schedule, she found herself thrust into the position of being the first foreign visitor to the U.S. only eight days after 9/11. The symbolism of the first post-9/11 visitor to the White House being the leader of the world's largest Muslim majority state was not lost on the Bush administration. The Joint Statement issued after her meeting with the U.S. President said: "President Megawati condemned the barbaric and indiscriminate acts carried out against innocent civilians and pledged to cooperate with the international community in combating terrorism. She underscored that terrorism also increasingly threatens Indonesia's democracy and national security."³⁶ But, Megawati stopped short of endorsing a future American military response.

Bush and Megawati discussed terrorism in Indonesia during their meeting. U.S. intelligence agencies had developed significant information about Islamic terrorists operating in Southeast Asia, including Indonesia. We can surmise that Bush presented some of that information to Megawati. According to the Joint Statement: “The two Presidents agreed that their respective officials would soon discuss concrete ways to strengthen bilateral cooperation on counter-terrorism, in particular on capacity and institution building.”³⁷ As a consequence of the meeting Bush invited Indonesia to participate in the U.S. Anti-Terrorism Assistance (ATA) program. The State Department soon dispatched a survey team to Indonesia to ascertain the government’s counter-terrorism training needs. Megawati may have accepted in principle the idea of U.S. assistance in training and equipping Indonesian police, but she apparently did not commit to cleaning out the Jemaah Islamiyah terrorists.

In her White House meeting with President Bush, Megawati expressed concern that her visit to Washington would create a political backlash in Indonesia.³⁸ Recognizing this possibility, the U.S. president offered his guest significant development aid and other infrastructure support. Bush offered “at least \$130 million in bilateral assistance for Indonesia in fiscal year 2002, with a special focus on assisting Indonesia’s efforts with legal and judicial reform.” Moreover, “President Bush pledged an additional \$10 million to assist internally displaced persons, with a focus on the Moluccas. He pledged \$5 million for Aceh, to support reconciliation, help rebuild schools and other infrastructure” destroyed during the Indonesian Army’s counterinsurgency operations, “and assist with economic development projects, including environmental improvements and transportation. To strengthen Indonesia’s law enforcement capability, President Bush also committed, subject to Congressional approval, to provide \$10 million in police training.”³⁹

Writing six months later, noted Indonesia scholar Donald K. Emmerson observed that, while both sides benefited from the meeting, neither gained all they sought in the security arena. Megawati offered condolences and expressed opposition to terrorism, “but did not imply support for retaliatory war. Bush, in return, offered *nonmilitary* aid and the possibility of resuming commercial sales of *nonlethal* defense equipment.”⁴⁰

POLITICAL BACKLASH IN JAKARTA

Back in Jakarta, Islamist militants did not profess sympathy for the victims of the attacks on the U.S. nor did they support President Bush's the "war on terrorism." Only days after 9/11 Indonesian Vice President Hamzah Haz—then leader of the nation's largest political party—told Muslims at a Jakarta mosque that the terrorist attacks would "cleanse the sins of the United States." After 9/11 he reportedly dined with Indonesia's militant Islamic leaders, including Abu Bakar Bashir, and announced that there were no terrorists in the country. The Vice President's views were not entirely a surprise. He had a record of support for radical Muslim organizations, including Jemaah Islamiyah.

On her return from Washington, Megawati quickly understood that the political tide had turned. The secular Megawati had reached the presidency in July 2001 with the help of the Islamist political parties. Some of these parties, included the largest headed by the Vice President, had close relations with Muslim extremists who were anti-Western in general outlook, and anti-American in particular. In addition to political pressures inhibiting the government, "the scale and intractability of Indonesia's internal security problems . . . sometimes called Indonesia's continuing national cohesion into doubt and deflected the security forces' attention from terrorist threats. Resistance from within Indonesia's factionalised (sic) and demoralized security forces . . . also undermined Jakarta's willingness and ability to cooperate."⁴¹

In rationalizing its inaction, however, the administration's complained it lacked effective tools to employ against the terrorists. "Megawati and her advisors saw great risks and few advantages in moving against the radicals, even if this meant frustrating the US and some of Indonesia's neighbours (sic)," according to Rand Corporation analyst Angel Rabasa. "Indonesian officials explained the government's caution by noting that, unlike Malaysia and Singapore, Indonesia lacked the equivalent of an Internal Security Act that would allow the authorities greater latitude in dealing with suspected terrorists. The authorities could not move against suspects without evidence to persuade not only a court, but also Muslim public opinion." Officials also argued that Indonesia's

large Muslim majority and its comparatively weak government gave the authorities less freedom of action than their neighbors.⁴²

After determining that al Qaeda conducted the 9/11 attacks, President Bush responded by ordering the U.S. armed forces to invade Afghanistan, destroy the Taliban regime that offered al Qaeda sanctuary, and track down Usama bin Laden and his terrorist group. The Indonesian Islamists condemned the U.S. retaliation. Vice President Hamzah expressed strong opposition. Parliamentary leaders demanded that Megawati, too, speak out against the U.S. In mid-October 2001 she asserted that, while terrorists deserve punishment, no country has the right to pursue terrorists by attacking another state. And, in early 2002, Megawati stood before cheering legislators at the DPR demanding that the U.S. halt its bombing in Afghanistan during the Muslim holy month of Ramadan. (She did not, however, order her own army to suspend operations against separatists in Indonesia.) Her government did not intervene when Islamists dispatched 300 volunteers to fight against American forces in Afghanistan.

In congressional testimony, Indonesia expert Douglas Ramage contended that “September 11, 2001 served as a catalyst to the politicization of Islam that accelerated with the end of the Suharto regime in 1998, at once mobilizing and dramatically increasing its progress.” While Muslims in Indonesia were “appalled” at the terrorist attacks in New York and Washington, “they also disagreed with U.S. response to the attacks.” Most Indonesians already opposed U.S. policy in the Middle East, believing the U.S. was aiding Israel in suppressing the rights of the Palestinians. The U.S. invasion of Afghanistan and, subsequently, Iraq gave validity to the suspicion that the U.S. war on terror was, in fact, a war on Islam.⁴³

According to Ramage, many moderate Indonesian Muslims “felt pushed into a corner by the ensuing polarization between the U.S. and the ‘Muslim world.’ This served to provide the momentum for the minority militant Muslim groups . . . who were ideologically aligned with the radical Muslim world.” Radical Islamist criticism of the U.S. invasion of Afghanistan and the war on terror was widespread throughout Indonesian society and found vehement expression in the vernacular press. Indonesian militants used the rising anti-

American feeling to promote their *domestic* political agendas, which included encouraging Islamist parties to reintroduce proposals to institute *sharia* law. Ramage notes: “The nature of the criticism and its growing salience for many people was a surprise to most mainstream leaders. . . .”⁴⁴

BREAK-UP OF JEMAAH ISLAMIYAH CELLS IN MALAYSIA AND SINGAPORE

In December 2001 Malaysian and Singapore authorities separately broke up Jemaah Islamiyah cells in their countries. Singapore authorities were surprised to learn that not only had three terrorist cells with 13 members existed under their noses for several years, but also the groups had developed plans to attack U.S., Australian, British and Israeli diplomatic buildings and businesses, and U.S. military personnel, aircraft and naval vessels in Singapore, using truck bombs. Additionally, the cell members were considering operations against Singaporean government and infrastructure targets.

Under questioning, the suspects revealed that al Qaeda had been actively cultivating radical Muslims in Southeast Asia, that it had established a sophisticated regional network linking Singapore, Malaysia, Indonesia and the Philippines, and that it had trained and funded its members. “The JI organization in Singapore,” said the Singapore statement announcing the arrests, “is part of a larger JI network with cells in Malaysia and Indonesia.”⁴⁵ The Polri sent a high-ranking team to Kuala Lumpur and Singapore in January 2002 to discuss the situation, but to the dismay of its neighbors (and the U.S.), the police did not arrest JI suspects in Indonesia. Indonesian police did question JI leader Abu Bakar Bashir, but did not find sufficient evidence to detain him.⁴⁶

ARRESTS OF INDONESIAN MILITANTS IN THE PHILIPPINES

On January 15, 2002 the Philippine National Police arrested Fathur Rohman al-Ghozi, an Indonesian Jemaah Islamiyah operative, as he was about to leave the Philippines to attend a meeting with Hambali and other militants in Bangkok. Al-Ghozi, who had received instruction at al Qaeda’s Afghan bases, trained Jemaah Islamiyah personnel in bomb making at camps operated by the Moro Islamic Liberation Front (MILF) in Mindanao. Under questioning, al-Ghozi

revealed information about the location of a significant weapons cache and Filipino members of a Jemaah Islamiyah cell. He confessed that he had participated in a bombing in Manila on December 30, 2000 and police concluded that he was responsible for the August 2000 bomb attack on the Philippine ambassador in Jakarta.⁴⁷

Two months after al-Ghozi's arrest, Philippine authorities in Manila—acting on information from Singapore and Malaysia—arrested three Indonesians thought to be associated with al-Ghozi. The three Indonesians—Agus Dwikarna, Tamsil Linrung, and Abdul Jamal Belfas—had bomb making ingredients in their suitcase. They claimed that they had no connection with al-Ghozi and that Indonesian intelligence had planted the incriminating evidence to bring pressure on the Megawati government to act against Jemaah Islamiyah. “The arrests caused a huge scandal in Indonesia because Linrung and Dwikarna were fairly prominent politicians,” according to Zachary Abuza. “Although considerable evidence emerged later about Tamsil Linrung’s association with JI, he and Abdul Jamal Belfas were released under intense diplomatic pressure from Indonesian president Megawati Sukarnoputra.”⁴⁸

Dwikarna, on the other hand, had been on BIN’s terrorist watchlist, according to Abuza. He was under surveillance, having been one of the escorts for Ayman al-Zawahari and the late Mohammed Atef who were sent by Usama bin Laden in June 2000 to reconnoiter Aceh and the Maluku. (Mohammed Atef, it will be remembered, was a perpetrator of the 9/11 attacks in the U.S.) Dwikarna was involved in Laskar Jundullah and MMI, Muslim extremist organizations that fomented communal violence in Indonesia. He was tried in a Philippine court and sentenced to 17 years in jail, “despite the intervention of senior Indonesian officials.”⁴⁹

COUNTER-TERRORISM LEGISLATION ON HOLD

Despite Megawati’s tepid response to the 9/11 attacks in the U.S. and to the increasing signs of international terrorist activities in Southeast Asia, some Indonesian officials took note of the larger terrorist threat. For example, the Office of the Coordinating Minister of Political and Security Affairs, Susilo

Bambang Yudhoyono, held a brainstorming session on counter-terrorism involving government officials, academics, and various experts on September 15, 2001. One of the tasks of the forum was to define terrorism and to remedy the absence of a statute prohibiting it in Indonesia. They began the drafting a counter-terrorism law.

In early 2002, the administration submitted a proposed counter-terrorism law to the DPR. Opponents bottled up the bill thus preventing serious consideration, even though it was widely held to be toothless. While the DPR continued to wrangle over provisions of the legislation, the Bali bombers struck.

BUT RENDITIONS REVEAL A CONSPIRACY

Megawati's government did cooperate with the Bush administration in delivering two non-Indonesian al Qaeda operatives to U.S. control, according to press reports. These men were removed from Indonesia through a process known as rendition, the forcible transfer of non-U.S. citizen terrorist suspects by the U.S. to a foreign country. The first case involved Mohammad Saad Iqbal Madni, a 28-year old religion student living in Pakistan. Three week after 9/11, Madni left his job in Karachi reading the Koran on the radio to travel to Indonesia. His late father had left a young wife and six-year old son whom Madni had not seen, and Madni claimed he had to pass on some of his father's estate to the widow. Arriving in Jakarta, Madni checked into an inexpensive boarding house in the Matraman district. He reportedly spent his evenings watching television and joining in karaoke sessions with some of his father's old friends. But, Madni was also an alleged al Qaeda accomplice of Richard C. Reid, the infamous shoe bomber arrested in December 2001, earning him a place on a CIA watchlist.⁵⁰

Early in the morning on January 9, 2002, Indonesian police apprehended Madni as he was returning to his room. Officially, the Indonesians claimed to have a request from Egypt to detain Madni, who carried an Egyptian passport as well as Pakistani documents. Based on an alleged visa irregularity, Indonesian officials deported him to Egypt. *The Washington Post* reported that a U.S.-registered Gulfstream V, an aircraft associated with the CIA, landed at Jakarta's

military airport, picked up Madni and flew him to Cairo. “Only months later,” wrote Daniel McGrory in *The Times* of London, “did officials in Jakarta admit that they had acted on a request from Washington. They insist that Mr. Madni’s whereabouts are a mystery to them.”⁵¹

Far more valuable was the rendition of Omar al-Faruq, a Kuwaiti identified by the U.S. as a key al Qaeda operative in Southeast Asia. He came to the attention of U.S. in early 2002 when intelligence analysts linked his cell phone number to al Qaeda associates Agus Dwikarna, the Indonesian arrested in Manila, and Abu Zubaydah, captured in Pakistan. An al Qaeda prisoner at Camp X-Ray in Guantanamo Bay also had al-Faruq’s number. The CIA also traced a number dialed by Fathur Rohman al-Ghozi, JI cell leader in the southern Philippines, to al-Faruq. After training in al Qaeda camps in Afghanistan and the Philippines, al-Faruq made his way to Indonesia in the late 1990’s “to take control of al Qaeda’s operations in Southeast Asia.” In mid-2001 al-Faruq was living near Dwikarna in South Sulawesi when, lacking an Indonesian passport, Indonesian immigration authorities detained and prepared to deport him. He escaped, or was released on bail, and continued to plan terrorist operations.⁵²

After discovering that he had acquired a false Indonesian passport, the Indonesian government issued an arrest warrant for al-Faruq on May 2, 2002. Three weeks later, on May 23, Abu Zubaydah, under U.S. questioning, identified a photo of al-Faruq and told American interrogators of the Kuwaiti’s activities in Southeast Asia. On June 6, the Indonesians apprehended al-Faruq at a mosque in Bogor. The operation was authorized by the Coordinating Minister for Political and Security Affairs, Susilo Bambang Yudhoyono, who told *Time*, “It was quite rapid work.” Al-Faruq was immediately handed over to the U.S. and flown out of Jakarta, presumably on the Gulfstream V.⁵³

According to *The New York Times*, al-Faruq was taken to Bagram Airbase in Afghanistan for questioning. Initially, al-Faruq refused to cooperate with his U.S. captors. But, after three months of focused psychological techniques, including prolonged isolation, temperature extremes, and sleep and light deprivation, he finally broke.⁵⁴ A CIA summary of his interrogation revealed on September CIA “al-Faruq confessed that he was, in fact, al Qaeda’s senior rep-

representative in Southeast Asia.” He claimed Abu Zubaydah and another senior al Qaeda personality, ibn al-Shaykh al-Libi, had ordered him to “plan large scale attacks against U.S. interests on Indonesia, Malaysia, Philippines, Singapore, Thailand, Taiwan, Vietnam and Cambodia. In particular, [al] Faruq prepared a plan to conduct simultaneous car/truck bomb attacks against U.S. embassies in the region, to take place on or near” the first anniversary of the 9/11 attacks. Al-Faruq said that, despite his arrest, back-up operatives would “assume responsibility to carry out operations as planned.”⁵⁵

Omar al-Faruq also made startling revelations about the radical Muslim cleric, Abu Bakar Bashir, who *Time* called “the alleged spiritual leader of JI.” According to the CIA report given to *Time*, Bashir “authorized Faruq to use JI operatives and resources to conduct” the embassy bombings. He also asserted that Bashir sent a JI operative to oversee a planned attack on the American embassy in Kuala Lumpur. He claimed that Bashir masterminded a 1999 bombing of Jakarta’s largest mosque and then had blamed Christians for the attack.⁵⁶

Armed with the information from al-Faruq’s interrogation, the U.S. launched a month-long campaign to convince the Megawati government that Jemaah Islamiyah was planning an imminent attack in Indonesia. U.S. Embassy officers in Jakarta held a number of meetings with Indonesian officials in September 2002 at which they urged that Bashir be arrested. A U.S. National Security Council staff member and a CIA officer secretly traveled from Washington to Jakarta to brief President Megawati, according to Fred Burks, the State Department translator who accompanied them. A senior U.S. official who attended the Megawati meeting “acknowledged pressing forcefully for Bashir’s arrest,” according to *The Boston Globe*. If the Indonesians refused to act, U.S. officials threatened to “reduce the embassy profile” and warned there “is going to be a problem in our bilateral relationship.” Despite the U.S. admonitions, “Indonesian authorities told the Americans they could not arrest [Bashir] without evidence that he had already committed a crime,” according to the U.S. official.⁵⁷

In an effort to reach a broader audience with information about the Jemaah Islamiyah threat, a report on al-Faruq’s interrogation was given to *Time* magazine. “Confessions of an al-Qaeda Terrorist”—detailing al-Faruq’s contention

that Jemaah Islamiyah planned to attack in Indonesia and identifying Bashir as the group's leader—appeared in the September 23, 2002 issue of *Time*. According to Donald K. Emmerson, “The danger-focused American administration was impatient with Jakarta for not pursuing suspected al-Qaeda operatives in Indonesia, lest the archipelago become a post-Afghan haven for anti-American terrorism.”⁵⁸ Australian scholar Greg Barton observed: “It clearly embarrassed the Megawati administration, which was extremely reluctant to admit that in JI it had a problem with al-Qaeda-linked terrorism of the magnitude suggested by the *Time* report.” Many Indonesians, however, greeted the *Time* article with skepticism. Islamists and even some moderate Muslims dismissed the report. The allusions to CIA sources heightened suspicion. Abu Bakar Bashir was irate and instructed his lawyers to sue *Time*. Vice President Hamzah Haz reportedly said, “If you want to arrest Abu Bakar Bashir, you will have to deal with me first.”⁵⁹ Less than three weeks later, terrorist bombs ripped through the Sari Club and Paddy's Bar.

THE AFTERMATH OF BALI

The October 12, 2002 Bali bombings sent shock waves through the Indonesian political establishment. A few government officials quietly said, “I told you so.” Others expressed surprise and horror that Indonesians had perpetrated such an act of terror. Still others—principally Islamists—simply denied that Indonesians would, or even could commit such a crime. Vice President Hamzah Haz, for example, openly accused the CIA of carrying out the bombings.

The Megawati administration received the wake up call, however, and launched a series of actions that initiated Indonesia's war on terror. In the most critical step, the Polri successfully investigated the Bali bombings, and identified, tracked down and arrested the conspirators. Megawati took other steps that, while not sufficient to meet the challenge of international terrorism, nonetheless helped focus the Indonesian state and society on the problem. These actions included:

- ★ Arrest of Abu Bakar Bashir;
- ★ Promulgation of Counter-Terrorism Decrees;

- ★ Establishment of the Counter-Terrorism Coordination Desk; and
- ★ Reorganization of Counter-Terrorism Forces.

ARREST OF ABU BAKAR BASHIR

Once it was determined that Jemaah Islamiyah was behind the bombings, the Indonesian government finally arrested Abu Bakar Bashir in Solo on October 18, 2002. He was charged not with the Bali bombing, however, but with the Christmas Eve 2000 church bombings in several cities across Indonesia and with weapons and explosives violations. Later charges of treason, immigration violations, and plotting the assassination of Megawati when she was Vice President were added. Bashir's arrest provoked a strong response in some quarters, as Islamists charged that foreign governments pushed the Megawati administration to act. But Vice President Hamzah Haz denied that Indonesia had acted at the behest of others. Bashir attributed the Bali bombings to Western intelligence agencies.⁶⁰

Prosecutors at Bashir's trial failed to build a compelling case. Greg Barton concluded: "there was a large volume of evidence that could have been tendered in court, but was not." He pointed out Jemaah Islamiyah operative Mohammed Nasir bin Abbas, being held by police, has testified in an earlier Bali bombings trial that Bashir had sent Mukhlas and Abbas to Afghanistan to the *mujahidin* and for training in the Philippines. Abbas also described how Bashir and Sungkar established Jemaah Islamiyah in Malaysia in 1993. Barton contended that the prosecution produced only one witness, a Malaysian arrested in Singapore named Faiz Abu Bakar Bafana, who could incriminate Bashir. The Indonesian judges discounted his testimony because it was presented by videolink from Singapore and the prosecutors had not arranged for him to be cross-examined by the defense. In addition, Bafana's testimony differed from that given by other witnesses.

Consequently, the judges found Bashir guilty of being involved with Jemaah Islamiyah, but held that the prosecution failed to prove he had become the *amir* following Sungkar's death in 1999. Other prosecution witnesses, including Bali bombings conspirators, evaded questions about Bahir's guilt and

claimed not to know who led Jemaah Islamiyah. Bashir was convicted only of document fraud and immigration violations, and sentenced to four years in jail including time served.⁶¹

Prosecutors were roundly criticized for putting on an ineffective case. But some of the blame fell squarely on the U.S. The Bush administration refused to make available two al Qaeda detainees—Hambali and Omar al-Faruq—who might have made a stronger case against the 66-year old cleric. The U.S. did allow Indonesian prosecutors to submit written questions that American interrogators asked the two men. This approach was not, however, valid under Indonesian law.

Six months later, in March 2004, the Indonesian Supreme Court reduced Bashir's sentence to 18 months and the government was forced to schedule his release from Jakarta's Selemba prison for late April. The U.S. and Australia objected vociferously. Tom Ridge, then U.S. Secretary of Homeland Security, visited Jakarta immediately after the Supreme Court's ruling and urged the Megawati administration to reinstate terrorism charges against Bashir. The government eventually agreed, and using information derived from the interrogations of Hambali as well as the Bali bombers, rearrested Bashir when he had completed serving his initial sentence.

PROMULGATION OF COUNTER-TERRORISM DECREES

The bombings also gave President Megawati the political courage to combat the terrorists. Within six days she issued two decrees to address the terrorist threat.⁶² The 1945 Constitution authorized the President to issue Government Regulations in Lieu of Law (*Peraturan Pemerintah Pengganti Undang-Undang*, or Perpu) "in the event of a compelling emergency." In such a case, the DPR must approve the Perpu at its next session, or the regulation lapses. Megawati's decrees incorporated parts of the counter-terrorism bill that the DPR had been debating for months. Opponents of the bill had feared that it would grant draconian powers to the security forces that might be used to suppress political activity and repress critics of the regime. As Professor Tim Lindsey of the University of Melbourne Law School put it, Megawati "short-circuited the legisla-

tive process—and the debate—by issuing a revised form of the bill as Perpus.”⁶³

The regulations defined “terrorism” broadly as the use or threat of violence “to create a widespread atmosphere of terror or fear . . . or to create mass casualties by forcibly taking the freedom life or property of others or causes damage or destruction to vital strategic installations or the environment or public . . . or international facilities.” (Section 6 and 7) It then listed specific criminal acts in diverse areas such as aviation security, explosives, firearms and ammunition, and chemical biological, radiological and nuclear weapons. The regulation also addressed funding, supporting and assisting terrorists, and inciting others to commit terrorist acts. Most importantly, the regulation allowed the police to detain suspects “strongly suspected of committing a criminal act of terrorism” for seven days, and arrest and hold a suspect for up to six months.

The regulation also allowed intelligence reports to be used as evidence (precluded in the Indonesian Criminal Code) and gave police, prosecutors and judges the authority to block bank accounts belonging to terrorist suspects or those funding terrorist activities. But, of greatest significance, Perpu No. 2 allowed Perpu No. 1 to be applied retroactively to the Bali bombings case. This provision appeared to conflict with an article added to the Indonesian Constitution in 2000 that expressly prohibits prosecution under retrospective laws as “a basic human right that cannot be diminished under any circumstances at all.”⁶⁴ But shortly after the amendment was adopted, the Indonesian Minister for Justice and Human Rights argued that protection against retrospective prosecution was predicated on the accused not violating the basic human rights of others.⁶⁵

Indonesian prosecutors used these regulations—subsequently enacted into law in slightly altered form by the DPR in March 2003 and renamed Law 15/2003—to bring to trial 33 persons associated with the Bali bombings. Amrozi went to trial in May 2003 on charges of assisting in the bombings by purchasing the Mitsubishi L300 and the chemicals used to build the bombs. His attorneys immediately challenged the retrospective aspect of the law. Amrozi was convicted and sentenced to death on August 8, 2003. His initial appeal to the High Court was denied and he appealed to the Supreme Court.

In July 2003 the Constitutional Court determined his conviction was unconstitutional. But the Minister of Justice and the Chief Justice of the Constitutional Court issued a press release suggesting that the Court's decision to strike down laws would only apply forward in time, and that existing convictions under the law should stand. The Indonesian judicial system was thrown into disarray.⁶⁶

ESTABLISHMENT OF THE COUNTER-TERRORISM COORDINATING DESK

On October 22, 2002, Megawati issued Presidential Instruction No. 4 establishing the Counter-Terrorism Coordinating Desk (CTCD) under the Coordinating Minister for Political and Security Affairs, a position then held by retired General Susilo Bambang Yudhoyono. The CTCD was mandated to "1. Formulate policy and national strategy for combating terrorism" and "2. Coordinate the necessary operational stages." Indonesian National Police Inspector General Ansyad Mbai, Chief of Police in North Sumatra, was designated Head of the Desk. The veteran police officer had also served as Director for General Crimes, Deputy Chief of the Criminal Investigation Division, and Assistant for Intelligence in Polri Headquarters. The Desk was formally established on December 23, 2002.

General Ansyad Mbai identified three major tasks for his new office:⁶⁷

- ★ Coordinate and enhance integration in preparing and formulating the Government's policy and strategy, including intelligence activities, in combating terrorism;
- ★ Coordinate activities in the area of investigation and prosecution, as well as other legal steps necessary to fight terrorism; and
- ★ Coordinate international cooperation for institutional and capacity building through technical, police and intelligence cooperation.

General Ansyad Mbai drafted a national policy and strategy, and sought to educate prosecutors and judges on the application of the new counter-terrorism law. But, he found it impossible to overcome the bureaucratic rivalries that dominate Indonesia's government. In fact, understaffed and out of the operational loop, the CTCD coordinated only some foreign donor activities, not Indo-

nesian counter-terrorism policy, strategy, plans and activities.⁶⁸ (Current activities of the Counter-Terrorism Coordination Desk are discussed in Chapter IV.)

REORGANIZATION OF COUNTER-TERRORISM FORCES

Chapter I recounted how the Indonesian police led a successful international investigation of the Bali bombing. When he took charge of the Bali bombing investigation in October 2002, General I Made Mangku Pastika had been appointed Deputy Chief of the Criminal Investigations Division at Police Headquarters (*Mabes Polri*) in Jakarta. He was reportedly given *carte blanche* to recruit the most talented Polri investigators for what became known as the Anti-Terror and Bomb (ATB) Task Force, and he reported directly to the Chief of Police, General Da'i Bachtiar. He also had responsibility for liaison with the senior foreign specialists whose technical assistance contributed greatly to the Task Force's success.

In the months immediately following the Bali bombings, the ATB Task Force and the multinational team found evidence that led to the arrest of more than 30 suspects. For his courage, leadership and investigative skill, Pastika was named *Time's* Asian Newsmaker of the Year for 2002. He received awards from both the Indonesian and Australian governments. In April 2003 he was promoted to Inspector-General (two-star rank) and returned to Bali as police chief for the region.

As General Pastika moved on, General Baktiar established an organization at National Police Headquarters to manage counter-terrorism efforts. On April 25, 2003, General Bachtiar signed "secret telegram No. 217/IV/2003" directing the establishment of Directorate VI/Anti-Terrorist Bomb Unit in the Criminal Investigations Directorate at National Police Headquarters. The directorate was "to be responsible for the development of strategy and policy, including the control of operational units in Indonesia." Senior Commissioner Pranowo was designated Director and promoted to one-star rank two months later. Pranowo had been involved in the Bali bombings investigation, as well as bombings in Medan and Ujung Pandung.⁶⁹ He was well regarded as a training expert, according to a foreign diplomat.

This entity became the core of Detachment 88, a counter-terrorism force organized with U.S. assistance in 2003 and formally established in 2004. Detachment 88 is the mechanism by which the Indonesian police manage counter-terrorism plans and policy, arrange training, and handle funding, as well as deploy counter-terrorist teams throughout the country. The name derives from a misunderstanding: American trainers called it as the “ATA” detachment, referring to the Anti-Terrorism Assistance program through which it was funded. The Indonesians heard it as “88.”

The Indonesian government’s plan was to grow Detachment 88 to a 300-man force, with 150 personnel in the Jakarta area and 150 attached to regional police headquarters. Using the specialized training and equipment available through the U.S. Anti-Terrorism Assistance Program, Detachment 88 was to bring together a comprehensive set of counter-terrorism skills: prevention, response and investigation. But, the establishment of Detachment 88 exacerbated the already uneven relations between the police and TNI. Most, though not all senior Indonesian military officers accepted the Polri’s role in preventing terrorist attacks—collecting, analyzing and disseminating intelligence and arresting terrorists before they could strike. Nor did they object to the police function of post-incident investigation. TNI leaders, however, considered *response*—especially when it involved assaulting aircraft, ships, and trains—to be a military mission. Moreover, a note of jealousy could be detected in the TNI’s response to the post-Bali surge of foreign assistance to the police.⁷⁰

Thus, the task of organizing and managing Indonesia’s counter-terrorism efforts was centralized in National Police Headquarters under General Prano. Training progressed through 2003 and 2004 with Detachment 88 teams deploying throughout the archipelago, often to great fanfare. The Jakarta team, for example, received wide press coverage when it was officially introduced in August 2004.⁷¹ The publicity accompanying these events reflected the change in the government’s attitude toward combating terrorists, but did not necessarily equate to support for the dismantlement of Jemaah Islamiyah.

The ATB Task Force that Pastika had headed remained focused on the Bali bombings and the leads to international terrorist groups uncovered in the

course of the investigation. Bali bomb makers Dr. Azahari and Noordin Top remained at large. The extensive Jemaah Islamiyah network and its international connections had been revealed. The police wanted to maintain the operational momentum of the Bali investigation. General Bachtiar turned to Police Brigadier-General Gories Mere to head the task force. Gories Mere, a Christian, was also head of the Polri counter-narcotics unit and widely regarded as one of Indonesia's premier criminal investigators. He had previously attracted attention by his handling of the Tommy Suharto corruption case. Under General Gories Mere, the small ATB Task Force became the primary operational counter-terrorist element—the “chase and capture” force.⁷²

In addition to establishing Detachment 88, President Megawati also issued Presidential Instruction No. 5 to the Head of the National Intelligence Agency, BIN. The intent of Presidential Instruction No. 5 was to strengthen BIN and enhance its role in coordinating the activities of the Indonesian intelligence community. The result did not match the design. Although the intelligence chiefs met, they did not establish a mechanism to coordinate their missions, functions and operations.

ANOTHER TERRORIST BOMBING

An unattractive tower of glass and sharp angles, the 33-story, five-star J.W. Marriott Hotel sits in the newly redeveloped area of Kuningan, south of the center of Jakarta. At 12:30 PM on August 5, 2003 a suicide bomber, Asmar Latin Sani, driving a car laden with explosives, detonated the mobile bomb outside the hotel. The blast shattered plate glass windows, killing 12 persons and wounding 150 others, mostly in the hotel lobby. This time, the casualties were primarily Indonesian. The explosives (potassium chlorate) and method of detonation (mobile phone) closely resembled those used in the Bali blasts. Indonesian police swung into action immediately. Australian police, still investigating the 2002 Bali bombings, provided technical assistance. Malaysia sent a team of six forensic specialists from the Royal Malaysian Police Senior Officers College.

Indonesian National Police reported that Malaysian Noordin Mohammed Top organized the attack using a bomb constructed by his countryman, Dr.

Azahari bin Husin. Through interrogation of Jemaah Islamiyah associates captured earlier in the summer in Java, police had learned that a Jemaah Islamiyah element, Laskar Khos (Special Forces), was planning an attack. The suspects said they were looking at soft targets, such as hotels, churches and shopping malls, and they had in their possession a map of the Kuningan area of Jakarta. But they did not reveal the specific target.

Over the next 13 months, a dozen suspects were arrested and convicted for participation in the J.W. Marriott bombing, some who were also involved in the Bali bombings. (As recently as May 5, 2005, police arrested three more J.W. Marriott suspects in Poso, Sulawesi, site of continuing communal unrest. The suspects had in their possession assembled bombs, explosives, detonators, rifles, and manuals on waging *jihad*.) Investigators have narrowly missed capturing the two Malaysians on several occasions. Amrozi, one of the key Bali bombers, was sentenced to prison two days after the J.W. Marriott bombing. Bashir, still on trial in Jakarta when the blast occurred, claimed the CIA carried out the attack to discredit Islam.

CHAPTER IV

HOW INDONESIA FIGHTS ITS WAR ON TERROR

In a smoothly functioning democratic election, Indonesians chose retired Army General Susilo Bambang Yudhoyono as President of Indonesia in September 2004. In his October inaugural address, the new president identified counter-terrorism as a national priority. The Australian Embassy bombing—that had occurred toward end of the presidential campaign on September 9—may have spurred President Yudhoyono to elevate counter-terrorism on his list of priorities. During the presidential campaign, Yudhoyono ran a television commercial showing the aftermath of the bombing. The fact that Indonesian Muslims died in the attack may also persuaded the campaign to employ these images.⁷³

Shortly after assuming the presidency, General Yudhoyono held a teleconference with the regional police chiefs (KaPoldas) in which, according to an American diplomat, the president said he would “crack down hard” on terrorists in Indonesia. He ordered the police to arrest Malaysian terrorists Azahari bin Husin and Noordin Mohammed Top during the first 100 days of the new administration. Azahari and Noordin Top were believed to be the masterminds behind the September 9 Australian Embassy bombing.⁷⁴ With this strong assertion of presidential leadership, Yudhoyono seemed to set the tone for counter-terrorist efforts in his administration. He reiterated his strong stand against terrorism on a recent trip to Australia, proclaiming to an audience of business executives in

Sydney, “I declare war against corruption [and] terrorism for the better [sic] of Indonesia.”⁷⁵ But, some observers complain that he has raised the terrorism issue far more frequently with foreign audiences than with Indonesians.

COUNTER-TERRORISM POLICY COORDINATION

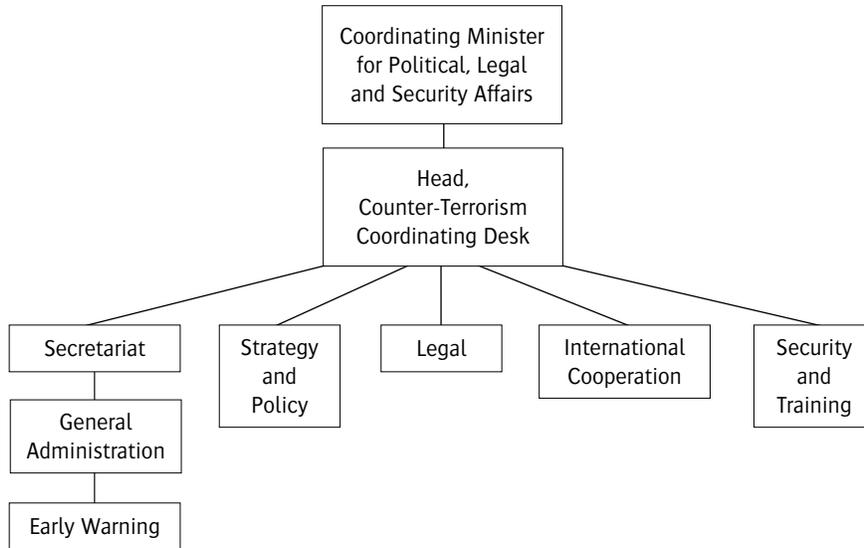
One of President Yudhoyono’s greatest challenges will be improving counter-terrorism policy coordination. According to a Jakarta-based foreign analyst, Yudhoyono told confidants after his election that he would personally control the administration’s counter-terrorism policy (as well as policy toward separatist movements). This suggests the President will eventually establish national security policy through a mechanism that brings together cabinet ministers and agency heads under his leadership. But, such a policymaking apparatus has yet to be established and policy development remains a serious problem for counter-terrorism in Indonesia.

Overseeing the implementation of counter-terrorism policy presents a further challenge. The President has not created the means by which to coordinate the operational activities of the principal counter-terrorism arms of the government: the Coordinating Minister for Political, Legal and Security Affairs, the intelligence services, the police and the TNI.

COUNTER-TERRORISM COORDINATION DESK

One approach mentioned by analysts would be to give the current Coordinating Minister for Political, Legal and Security Affairs, retired Admiral Widodo A.S., real responsibility for policy coordination. As noted in Chapter III, the Counter-Terrorism Coordinating Desk was set up when President Yudhoyono held the Coordinating Minister position during much of the Megawati administration. Polri Inspector-General Ansyad Mbai, an energetic and thoughtful police officer with a solid understanding of Indonesia’s terrorism problem, still heads the Desk. But, the CTCD has been given neither the authority nor the staff to implement its mandate.

CTCD is task-organized to coordinate counter-terrorist policy, strategy, plans, and information activities, though perhaps not for coordinating operations.



The *Secretariat* facilitates the day-to-day activities of the Desk and is the CTCD Head's link to the Coordinating Minister's Secretariat. It has an administrative arm and an Early Warning Unit responsible for monitoring domestic and foreign security situations, maintaining the CTCD website, and conducting public affairs.

Strategy and Policy is headed by a two-star Army general from BIN who is charged with coordinating policy and strategy development, as well as the analysis, evaluation and reporting of terrorism information.

Legal is led by a former Director-General of Immigration and is responsible for counter-terrorism legal affairs.

International Cooperation, headed by a senior Foreign Ministry official with rank of Ambassador, deals with the donor community and foreign embassies, aid missions and international organizations involved in supporting counter-terrorism.

Security and Training, headed by a retired Army major general, develops policy in these areas.⁷⁶

Staffing this organization is a persistent problem. Although the CTCD has an authorized staff of 30, only 12 persons are assigned on a full-time basis. The

heads of the five offices, for example, are not full-time CTCD staff.⁷⁷ Moreover, the Desk lacks other resources necessary to function effectively as a coordination mechanism. Despite these shortcomings, the CTCD has some modest accomplishments under its belt.

The Desk has focused on what General Ansyad calls “harmonization”: explaining to police, prosecutors and judges how the new counter-terrorism law should be applied. For example, General Ansyad cites the unwillingness of judges in the Bashir trial to allow prosecution witnesses in Singapore and Malaysia to testify by videoconference because the judges did not understand that this modern communications technique is now authorized under Indonesian law.

The CTCD is also attempting to improve threat assessments to enable the government to issue public warnings about imminent terrorist attacks. General Ansyad defines the intelligence-law enforcement relationship as critical to prevent terrorist attacks. This requires cooperation of Indonesia’s intelligence community in collecting, analyzing and sharing threat data—a major problem discussed below.

The Desk has also undertaken a modest public education campaign using television talk shows, seminars and booklets, brochures and posters to heighten public awareness about the terrorist threat and to encourage vigilance against the terrorists. General Ansyad worries about the Indonesian media’s tendency to glamorize the terrorists and dismiss the government’s efforts to control their activities. He fears that misleading media characterizations influence prosecutors’ and judges’ perceptions.

The CTCD maintains contact with foreign assistance donors, although the donors tend to work directly with recipient departments and agencies. The Desk researched and published the “Blue Book,” a compilation of Indonesia’s counter-terrorism training and equipment needs. One of General Ansyad’s top priorities is computer software to create a terrorist database and to facilitate exchange of information with other Southeast Asian governments, plus the hardware to outfit the appropriate departments and agencies. The Desk has also coordinated Indonesian judges’ travel to Europe to study counter-terrorism legal issues.

Finally, after the J.W. Marriott bombing in August 2003, the CTCD has drafted a “National Strategy for Counter-Terrorism” and “Guidelines for Integrated Counter-Terrorism Operations.” According to ICG, the guidelines reaffirmed POLRI’s leading role in counter-terrorism, but reserved a supporting role for the military “in areas such as the provision of land and maritime assault teams, maritime security, aerospace security, chemical, biological and radiological decontamination, intelligence and logistical support.” The government has yet to act on the proposals, reportedly because of TNI objections to its diminished role in counter-terrorism.⁷⁸

The Counter-Terrorism Coordinating Desk can only function with the cooperation of the government agencies involved in the field: intelligence, police, military, immigration, customs, and so forth. There is ample evidence, according to Indonesian and foreign observers, the arms of the government tasked with counter-terrorism responsibilities are reluctant to cooperate. They see national coordination of counter-terrorism as a zero sum game. In this view, enhancing the power of the CTCD can only diminish the clout of the departments and agencies and perhaps even interfere with their access to budgetary resources and foreign assistance.

General Ansyad’s response has been to propose the elevation of the CTCD to independent agency status—to create a Counter-Terrorism Coordinating Agency with real authority to coordinate the several elements of the Indonesian government involved in combating terrorists. He forwarded a formal proposal to President Yudhoyono who called for further discussion among the affected agencies. CTCD convened a preliminary meeting with predictable results: the agencies remain unconvinced that establishing a single Coordinating Agency will benefit them.⁷⁹

FAILURE TO BAN JEMAAH ISLAMIYAH

Despite the preponderance of evidence revealing Jemaah Islamiyah’s hand in the Bali bombing, Megawati was still unwilling to ban the terrorist organization. Incredibly, her administration contended that Jemaah Islamiyah never formally applied for recognition and thus could not be banned. The real reasons lay in the inability of the government to explain why an organization whose

title translates as “Islamic community” should be prohibited, the knee-jerk opposition of Islamist parties, and the pervasive view that banning Jemaah Islamiyah meant capitulating to Western demands. According to the U.S. State Department, “[t]he absence of such a prohibition has impeded police and prosecutors in arresting and trying suspected terrorists and will most likely further hamper prosecutors’ efforts to put ji leaders behind bars.”⁸⁰

While evidence in the form of public statements is lacking, there is some reason to believe that, prior to his election, President Yudhoyono supported banning Jemaah Islamiyah. In any case, the president apparently led some Indonesian officials to think this was his view. General Ansyad Mbai, who had been appointed Head of the Counter-Terrorism Coordinating Desk by Yudhoyono, told the Associated Press on March 21, 2005 that the government intended to proscribe the group: “I am convinced that this will happen because I know President Susilo Bambang Yudhoyono is very concerned with this problem.” He claimed that banning Jemaah Islamiyah was essential in the fight against terrorism. “We know there are many JI members that have military training and have the ability to make bombs and use weapons who are still around, but the police cannot arrest them unless they are involved in a particular act of terrorism. If JI is proscribed as a banned organization, then security agencies can take preventive steps.” Mbai pointed out that Jemaah Islamiyah terrorists were preparing to conduct further attacks. “The worrying thing,” he said, “is they are actively recruiting young recruits and training them how to make bombs. In fact, some of these new members are believed to have the same ability as Azahari in bomb making.”⁸¹

Less than 48 hours after Ansyad Mbai’s comments, a spokesman for the president contradicted the general and said the president would not support declaring Jemaah Islamiyah an illegal organization.⁸² Why did Yudhoyono undercut his friend and chief counter-terrorism policy official? Part of the reluctance to ban Jemaah Islamiyah lies in its very meaning—“Islamic Community.” Some Indonesian political leaders fear that public will mistake the outlawing of a specific group of terrorists with a broader effort to besmirch devout Muslims. Others recall the efforts of the Suharto regime to repress

Islamist organizations and worry that banning Jemaah Islamiyah represents a first step backwards toward those dark days. In particular, some Islamists in the Indonesian parliament see the banning of JI as licensing the government to criminalize the MMI. Some Islamists also see the move to outlaw JI as a secular response to their goal of establishing an Islamic society under *sharia*. Whatever the reasoning, the outcome is the same: Abu Bakar Bashir cannot be prosecuted for heading a terrorist organization and Indonesians belonging to Jemaah Islamiyah cannot be prosecuted solely for being members.

INTELLIGENCE CAPABILITIES AND COORDINATION

Former CIA counter-terrorism expert Paul Pillar, writing about U.S. counter-terrorism, described intelligence as in many respects “the most substantial”—though not well understood—instrument of counter-terrorism. His explanation applies to counter-terrorism intelligence in other countries, as well.

“The counter-terrorist contribution most often expected from intelligence is to detect terrorist plots in time for measures to be taken to remove the threat . . . or, as the next best outcome, to put the target out of reach. . . . It does not happen often because intelligence on terrorist threats is rarely specific enough to roll up confirmed plots or to put targets out of reach without disruptions so major they would constitute a different kind of victory for the terrorist. . . .

“Specific intelligence on terrorist threats is rare because there are few sources that could provide it, and those sources are very hard to get. That reflects the nature of terrorist groups and how they operate. They are either small . . . or highly compartmented. . . . Either way, few people are witting of the details—or even the existence—of an impending terrorist operation. Those who are closest to the center of decision making in a group (and thus most likely to be witting of all its operations) are the ones least likely to betray it and thus most resistant to recruitment as intelligence sources.⁸³

Although intelligence provides little direct or conclusive evidence of the specific time and place of terrorist attacks, it nonetheless provides a great deal of information that is potentially useful. Intelligence can identify groups that pose a terrorist threat, isolate their leaders, expose their funding and recruitment operations, and disclose patterns of activities. In the hands of skillful analysts, ambiguous, fragmentary and incomplete information can be manipulated to reveal where and when terrorists might strike. Terrorism intelligence, in particular, demands the orchestration of diverse intelligence resources to collect, analyze and disseminate information that can be used to prevent loss of innocent life and destruction of property. But, in Indonesia, in the judgment of ICG and other observers "... the intelligence services are marked by blurred lines of authority, interagency rivalry, lack of coordination, unnecessary duplication, lack of adequate oversight, and the legacy of an authoritarian past."⁸⁴ This is a staggering indictment in a country faced with a serious terrorist threat.

Indonesia has three major intelligence agencies, the National Intelligence Agency (BIN, *Badan Intelijen Negara*), the TNI's Strategic Intelligence Agency (BAIS), and National Police intelligence, plus intelligence elements in the Justice Ministry, Finance Ministry, and the anti-money laundering agency. These agencies operate independently of each other and do not function as a classic "intelligence community." There is no joint architecture to identify, prioritize and allocate collection requirements, task and manage collection systems and disciplines, or coordinate analysis of raw information, nor is there a formal mechanism for intelligence sharing among agencies. Intelligence sharing on counter-terrorism matters does occur, not regularly but primarily as a consequence of personal relationships among senior intelligence officials.

BIN, THE NATIONAL INTELLIGENCE AGENCY

BIN is a multi-mission organization, with responsibilities for both domestic and foreign intelligence collection and analysis. It also has an unfulfilled mandate to coordinate the activities of the agencies comprising Indonesia's intelligence community. The organization is comprised mainly of active duty and retired military intelligence officers, with some police officers, as well. In the view of

a senior Indonesian military intelligence officer, BIN has a good analytical capability, but needs to gain a better “sense of the situation” on the ground, a thinly veiled reference to the wider net cast by military intelligence deployments across the archipelago.⁸⁵ Others give more credit to BIN’s collection abilities, but have a less generous view of intelligence analysis. Indonesia’s “. . . human intelligence is considered excellent, [and] they have undoubtedly penetrated some terrorist networks,” wrote John McBeth in the *Far Eastern Economic Review*. But their intelligence analysis is traditionally weak, which may indicate the persistence of the influences of political Islam in the Indonesian government and a disinclination to admit the worst.”⁸⁶

Under the leadership of its former head, retired Army Lieutenant General A.M. Hendropriyono, BIN developed collected information about terrorists in Indonesia prior to the Bali bombings. Unfortunately, Hendropriyono was unable to convince others that Islam extremists presented a real threat to the nation. After the Bali attacks, BIN produced much of the intelligence information that supported the investigations, according to ICG.⁸⁷ Several sources, however, describe relations between BIN and the police as seriously strained. Jakarta-based foreign journalists argue that BIN and, to a greater extent, its sister agency, BAIS, attempted to undercut the work of police intelligence in the aftermath of Bali. As indicated earlier, from the time of the Bali bombings to the end of the Megawati administration, Hendropriyono tried unsuccessfully to have extensive police powers granted to BIN. He was one of Megawati’s closest confidants, served as an advisor to her political party (PDI-P), and had clashed with President Yudhoyono when they both served in Megawati’s cabinet. It thus came as no surprise when President Yudhoyono replaced Hendropriyono almost immediately after the inauguration.⁸⁸

President Yudhoyono picked Major General (ret.) Syamsir Siregar, a former head of BAIS, as new BIN chief and instructed him to reorganize the agency. The reorganization reportedly involves retiring or reassigning much of the agency’s management that had been appointed by Hendropriyono, as well as reducing the number of departments. In February, General Syamsir was reportedly considering revamping BIN’s counter-terrorism capability. Syamsir has also

indicated an interest in renewing efforts begun by his predecessor to gain enactment of an intelligence law, defining the agency's mission and functions, including granting BIN powers of arrest and detention of terrorism suspects. The new BIN chief is also contemplating expanding Hendropriyono's policy of operating regional BIN offices, a tactic that in theory would increase BIN's capability to collect information on terrorists. Both ideas raise concerns among some civil society groups.⁸⁹

MILITARY INTELLIGENCE

BAIS, the TNI's Strategic Intelligence Agency, formerly had a domestic intelligence mission that included, but was not actively focused on, counter-terrorism. When the MPR transferred responsibility for internal security from the TNI to the police in 2000, the justification for BAIS's domestic focus disappeared. BAIS did not, however, cease its domestic intelligence activities. According to ICG, BAIS "remains actively engaged in domestic intelligence collection and is committed to retaining this function." In fact, given its residual responsibilities in the areas of counterinsurgency, counter-terrorism, civil disorder suppression, disaster relief and humanitarian operations, it is only logical that TNI's intelligence database would include information on internal as well as external threats and conditions. "The question relevant to civil control," in the view of ICG, "is whether the military should collect its own internal security intelligence or draw on civilian agencies, i.e., the police and BIN."⁹⁰

The answer is obvious: intelligence follows the military mission and is necessarily a function of command. In responding to either natural or man-made contingencies, TNI cannot rely on intelligence agencies over which it has no control to collect, analyze and disseminate information vital to the military mission. BAIS thus has an important role in domestic intelligence. ICG wisely counsels that, while BAIS's internal security mission is valid, it should be defined in law and rationalized with other intelligence agencies' missions and functions.⁹¹

This is particularly true in the case of counter-terrorism. TNI senior officers recognize that intelligence is the key to fighting terrorists. Many believe that BAIS is the strongest of the three intelligence agencies and should thus play

a leading role in collecting intelligence on terrorism. The TNI territorial system that places a non-commissioned officer in most villages offers unparalleled opportunities for overt collection of terrorist-related information. Some TNI officers also contend that BAIS is better equipped by its culture to mount penetration operations against terrorist groups. But, they complain, BAIS lacks legal authority to conduct domestic infiltration operations.⁹²

Recently, BAIS has shown more initiative in the counter-terrorism field. In early 2005, BAIS established a Counter-Terrorism Desk in one of its directorates. This six-man team is headed by a colonel and is responsible for developing intelligence on potential terrorists, in part through better coordination with the Territorial Commands. The BAIS Desk is also seeking closer coordination with BIN and police intelligence.

POLICE INTELLIGENCE

The Polri has primary responsibility for collecting and analyzing information about terrorist elements, but the police intelligence system appears to be optimized for gathering information on criminal activities such as organized crime, trafficking in illegal firearms and explosives, narcotics trafficking, and infrastructure security. Police intelligence does include former BAIS officers who transferred from the armed forces to the Polri when it was established in 1999. Perhaps, this infusion of military intelligence experience ought to have prepared police intelligence for the counter-terrorism mission. Some critics, nonetheless, contend that Polri intelligence has not adapted well to the new requirements.

One problem may be that the police are more comfortable conducting post-incident investigations than developing operations to penetrate and neutralize terrorist organizations. Moreover, the Polri culture encourages police officers to develop their own informants and maintain their own information, rather than forwarding source data and information to a higher headquarters where it can be combined with data from other sources for analysis. The police also reportedly lack a classification system for handling sensitive information and a central document storage system for database management.⁹³ A foreign diplomat knowledgeable in security affairs described the police as skilled in

surveillance and other investigation techniques, but noted that the Polri needs forensics and other advanced technical training and modern equipment, including computers.⁹⁴

Polri's two counter-terrorist units—"Team Bomb," the Anti-Terror and Bomb (ATB) investigative unit created in the wake of the Bali bombings, and Detachment 88, the primary counter-terrorism force established with the assistance of the U.S.-funded Anti-Terrorism Assistance program—rely primarily on their own intelligence sources and analysis. When Team Bomb reported directly to the Chief of Police, it not only developed its own intelligence system, but also had unique access to intelligence collected by its international allies. Detachment 88 established an organic intelligence unit in its structure, thus reducing its dependence on Polri intelligence. (See further discussion of these units below.) How the intelligence resources of these organizations are coordinated is unclear.

FINANCIAL INTELLIGENCE

Indonesia recently celebrated its removal from the OECD's Financial Action Task Force (FATF) "List of Non-Cooperative Countries and Territories."⁹⁵ Combining weak anti-money laundering laws and lax enforcement, Indonesia had been on the international watchdog's list since June 2001. Tracking suspicious financial transactions, including those related to terrorists, is the responsibility of the Indonesian Financial Transaction and Report Analysis Center (*Pusat Pelaporan Dan Analisis Transaksi Keuangan*, or PPATK). PPATK was established by law in April 2002 (amended in 2003) as an independent agency reporting to the President and became operational in October 2003. It has authority "collect, maintain, analyze and evaluate information" related to funds used in crimes such as terrorism.⁹⁶

Responsibility for checking suspicious transactions reported by the banking sector formerly resided with the Special Unit for Banking Investigation of Bank of Indonesia. Indonesia has also established a cabinet-level interagency group, the National Coordinating Commission for the Prevention and Eradication of Money Laundering Crimes, to promote cooperation among government entities with an interest in anti-money laundering activities.⁹⁷

There is no information concerning the extent of its involvement in investigating illegal financial support for international terrorist groups. PPATK itself is primarily interested in money laundering involving government corruption and organized crime, but the same investigative techniques are applicable to tracking terrorist financing, as well. According to a U.S. Embassy official, PPATK does not have an interactive relationship with other counter-terrorism intelligence units. The Finance Ministry is reportedly developing a capability to trace the flow of terrorist funds, but little is known about the extent or effectiveness of this activity.⁹⁸

Some analysts believe that JT receives funds from Middle Eastern sources through the *hawala* banking system, making the money difficult to track. In any case, the amounts used to support terrorist attacks in Indonesia are relatively small. The U.S. Embassy official, who is knowledgeable about security matters, estimated the cost of the 2002 Bali bombing at \$45,000; the J.W. Marriott attack in 2003 cost even less. In the latter case, Hambali's younger brother used an ATM card to transfer funds.⁹⁹

OTHER COUNTER-TERRORISM RELATED INTELLIGENCE OFFICES

Indonesian prosecutors, immigration and customs offices also have specialized intelligence functions, according to ICG. The Justice Ministry's immigration office, for example, established an office in October 2004 to help track the cross-border flow of individuals possibly involved in transnational crimes, including terrorism.¹⁰⁰

SIGNS OF FUTURE COOPERATION?

Following the Australian Embassy bombing, the government announced the formation of a task force under BIN Head, Lieutenant General (ret.) A. M. Hendropriyono, to coordinate the response of intelligence and law enforcement communities. The intelligence agency heads reportedly met once to discuss how they might better coordinate their counter-terrorism activities. They reached no conclusions, since the meeting took place in the midst of the presidential election campaign. With President Yudhoyono inaugurated, the intelligence

agencies are awaiting a presidential instruction to create a special task force on counter-terrorism. This task force, if it is established, will outline agency responsibilities and lines of authority, as well as direct the Finance Ministry to analyze transfers of funds to terrorist groups. But without a mechanism to enforce cooperation, the concept will not produce the intended results.

In December 2004, the *Jakarta Post* quoted Coordinating Minister for Political, Legal and Security Affairs Widodo A.S. as saying the administration would deploy interagency intelligence teams across the country to collect information on terrorists, particularly in conflict prone areas, such as Central Sulawesi, Maluku and Papua, but also in Jakarta, East Java, Bali and North Sumatra. Admiral Widodo said the plan was approved at “a limited cabinet meeting chaired by President Yudhoyono. The teams—composed of BIN, BAI, Polri, and TNI personnel—were to be attached to provincial police headquarters. It was unclear, however, whether these teams would be permanently assigned or were intended only to deter attacks during the Christmas-New Year’s period. Nor was it noted who would command the units and to whom they would report.¹⁰¹

OPERATIONAL COUNTER-TERRORISM FORCES

In Indonesia, counter-terrorism is primarily a law enforcement problem. The National Police (Polri) constitutes the government’s principal counter-terrorist force. The Indonesian armed forces (TNI), however, retain a counter-terrorism mission and capabilities in the specialized areas of anti-hijacking, hostage rescue and explosive ordnance disposal.

POLRI COUNTER-TERRORIST FORCES

As noted in Chapter III, the National Police organized a permanent counter-terrorism entity as Directorate VI of the Criminal Investigations Directorate at *Mabes Polri* in April 2003. Formally established a year later, Detachment 88, headed by Brigadier General Pranowo, has approximately 300 personnel deployed in teams around the country. The headquarters unit has three main elements: intelligence, strike (or assault forces), and investigation. The U.S.

Anti-Terrorism Assistance program funds training and equipment primarily for the “strike” arm of Detachment 88.

At the present time, Detachment 88 has trained intelligence officers, investigators, crisis response teams, and explosive incident countermeasures and, in some cases, VIP protection specialists deployed at Jakarta, Semarang in central Java, Medan, South Sulawesi and Bali, with a reserve force at Polri headquarters. Polri plans to put crisis response teams and explosive incident countermeasures specialists in Central Sumatra, East Kalimantan, Irian Jaya/Papua, East Java, and North Sulawesi. The Semarang unit, set up in September 2004, provides an example of a deployed unit organization. When established, the unit had three 12-man teams operating across central Java, a reserve element available as required, and a 20-man investigations team.¹⁰²

Detachment 88 personnel train at several different locations, including a counter-terrorism training facility at the Indonesian Police Academy (AKPOL) in Semarang. This facility was built with Australian assistance. It features a 300-meter firing range, breach façade, breach wall, and vehicular operations area. The training area also boasts a video monitoring system consisting of more than 40 cameras strategically situated to permit observation of training at a central site. The facility offers training for police assaults on a variety of targets: the standard shoot-house, multistory hotel, aircraft, train, and boat. It should be noted that some of the assault training appears to duplicate training given to the TNI’s special operations forces and possibly to the Police Mobile Brigade.¹⁰³

Detachment 88 investigators are schooled in identifying and locating international terrorists, including ferreting out leaders, cells and supporters, and uncovering fund raising and money laundering operations. Crisis response teams are trained to control terrorist and hostage situations, defusing or resolving them with a minimum use of force. Training includes making high risk arrests to close terrorists’ safe houses, training facilities, front organizations and underground networks. Teams possess a range of weapons and tactics skills. Explosive incident countermeasures techniques include identifying and disarming bombs, improvised explosive devices, and booby traps and conducting

post-blast investigations. Detachment 88 also has the capability to protect VIPs against terrorist attacks.¹⁰⁴

Detachment 88 leaders recognize that, although their personnel have displayed significant skills in post-incident terrorist investigations, the focus of the unit's operations should continue to move in the direction of preventing terrorist attacks. There remain shortfalls in training and equipment. Additional intelligence training, including clandestine operations, interrogation techniques, tracking suspicious financial transactions, and communications intercept decryption and traffic analysis—would be useful. So, too, would be acquisition of electronic equipment to monitor suspected terrorist activities and, as described earlier, a database of terrorist personalities.¹⁰⁵

The special task force established to investigate the Bali bombings, the Anti-Terrorism and Bomb (ATB) Task Force, still known to some as “Team Bomb” and others as the “JI Task Force,” continues to function as the primary police “chase and capture” element. Indonesian press reports occasionally report that the ATB will be disbanded when fugitive Jemaah Islamiyah operatives Dr. Azahari bin Nusin and Noordin Mohammed Top are captured. The head of the ATB Task Force is now Senior Commissioner Bekto Suprpto. Bekto, who had been deputy head of the ATB, succeeded Brigadier General Gories Mere in October 2004. Though no longer in charge, Gories Mere still commands the loyalty of ATB officers, according to diplomats and press reports.¹⁰⁶ His current assignment is Director, Criminal Investigation Bureau, Directorate of Drug Enforcement and Organized crime. It is unclear whether the ATB Task Force now reports to the Head of Detachment 88 or continues to report directly to General Bachtiar. The Indonesian press has described the task force as having about 35 personnel. Most, like Gories Mere, are non-Muslim. They are responsible for the entire spectrum of counter-terrorism investigative operations: establishing informant networks, opening initial investigations, conducting surveillance on suspects, arresting and interrogating suspects, and preparing cases for prosecutors. Indicative of the task force's reputation, Jemaah Islamiyah leader Abu Bakar Bashir blamed not only the US for his arrest and trial, but also General Gories Mere.¹⁰⁷

The Police Mobile Brigade (*Brigade Mobil Polri*, or Brimob) is the paramilitary arm of the National Police. Brimob is organized in larger, military-style formations in order to conduct internal security operations. Although it has received some training from the TNI, it has not been successful in that role. Brimob is also available for counter-terrorism missions such as hostage rescue and explosive ordnance disposal. Anecdotal evidence suggests that the Brimob has not received specialized training or specialized equipment for counter-terrorist missions. Moreover, the police paramilitary force may duplicate capabilities being built into Detachment 88 units and already existing in the TNI special operations forces.

The problem of rapid deployment in response to crisis situations presents is a major shortcoming of police counter-terrorism forces. Polri does not have the aviation assets required to move its counter-terrorism teams quickly to areas in the country where they might be needed. No arrangement exists with TNI to conduct emergency deployments of Detachment 88 teams.¹⁰⁸

INDONESIAN ARMED FORCES (TNI)

Legislation authorizing the TNI identified 14 missions for the armed forces, including counter-terrorism. Ministry of Defense officials acknowledge that TNI should play a supporting role in counter-terrorism, with the lead role being played by the INP. But, senior military officials believe that Indonesia should bring all its resources to bear on the terrorism problem, and that includes involving TNI. They argue that the TNI Territorial Command system, which puts a non-commissioned officer in every village in the archipelago, provides a national counter-terrorism asset that should be mobilized to acquire actionable intelligence. Senior military officers point out that the police are skilled in investigating incidents after they occur, but only TNI with its vast network of deployed personnel, can successfully infiltrate terrorist groups, learn their plans and prevent terrorists incidents before they happen.¹⁰⁹

According to a former Kopassus (Indonesian Army Special Forces) commander, the division of counter-terrorism responsibility between Kopassus and

the police has yet to be determined. Reportedly, the Ministry of Defense is developing the TNI position on this issue. It is clear from interviews with senior military officers that the military sees several advantages in carving out a larger counter-terrorism mission. First, counter-terrorism is an important government priority and TNI involvement might hasten the refurbishing of the military's reputation. That reputation was seriously tarnished at home by years of abuses during the Suharto regime and abroad during the East Timor conflict, as well. Second, having a counter-terrorism mission provides access to foreign training and equipment. Third, counter-terrorism provides a justification for retention of the TNI's territorial system.¹¹⁰

The TNI's principal counter-terrorism resource is Unit 81, a Kopassus element with an anti-hijacking and hostage rescue mission. This unit trains regularly and maintains a high state of readiness, though, like the police, Unit 81 suffers from a shortage of equipment. According to the former Kopassus senior officer, the most significant shortfall is in explosive ordnance disposal. The unit has dog teams to locate bombs, but needs to build a capability to detect and identify by type and size explosive devices.¹¹¹

Unit 81 training focuses on hostage rescue in both urban and jungle environments. The unit's facilities are equipped for anti-hijacking scenarios involving buses and aircraft (According to the former Kopassus senior officer, no other government entity has a mock-up of an aircraft for simulated anti-hijacking training. A foreign expert knowledgeable about the police said, however, the Polri has built this capability.) Kopassus trains about 250 soldiers annually in counter-terrorism skills and techniques.¹¹²

Unit 81 has a training relationship with the Jakarta international airport through the Communications Division of the Department of Transportation. The former Kopassus officer also noted that, with the U.S. prohibition on working with Indonesian Special Forces, Unit 81 has had to become virtually self-sufficient in training. Training relationships with Australia, United Kingdom, France and South Korea have also been curtailed, though Kopassus still trains with Singapore and Thailand.¹¹³

According to the former Kopassus officer, in the event of a terrorist inci-

dent, a decision on deploying Unit 81 would be made by the TNI commander in consultation with the TNI staff, the head of BAIS, and the Kopassus Commanding General.¹¹⁴

In addition to Unit 81, TNI has another resource available for counter-terrorism missions: 10 “raider” battalions trained by Kopassus and assigned to the 10 regional KODAMS. Recently, each raider battalion sent 50 personnel to the Kopassus training center to receive training in counter-terrorism. (This training appears to involve two weeks of Special Forces training in counter-terrorism skills.) The 10 raider battalions are currently deployed in Aceh.¹¹⁵

COORDINATION OF OPERATIONAL COUNTER-TERRORIST FORCES

According to the former senior Kopassus officer, Unit 81 does not conduct joint training with the Indonesian Air Force or Navy. If directed by TNI Headquarters, however, Unit 81 could work with Air Force and Navy counter-terrorism elements, he said. The officer added that in Kopassus’ view these services do not have as well developed counter-terrorism operational capabilities.

There is no formal coordination mechanism between Kopassus and the National Police paramilitary force, Brimob. According to the former Kopassus officer, Unit 81 conducted a counter-terrorism hostage rescue exercise with the National Police at the DPR (Parliament) Complex in Jakarta in 2003. A knowledgeable foreign observer said the exercise scenario included a hostage rescue situation and was scheduled to take place over a three-day period. On the morning of the first day, the on-scene commander divided the military and police special operations forces into four elements, and likewise divided the Parliament complex into four quadrants. Ideally, the four special operations units would devise a single, integrated plan and launch a well-coordinated deliberate assault and rescue operation. Instead, according to the foreign observer, each of the four units tried to outdo the other by launching an immediate assault in its quadrant. As a consequence, the exercise was terminated in the afternoon of the first day. The source noted that TNI has not conducted further joint counter-terrorism exercises with the police.¹¹⁶

THE ATTORNEY GENERAL'S OFFICE (AGO) AND THE COURTS

The Attorney General's Office (AGO) is the Public Prosecution Service at the national, provincial, and district levels in Indonesia, and is thus responsible for the prosecution of terrorist crimes. The AGO manages regional offices where terrorist cases tend to be tried. Its culture is "militaristic" and its organizational structure is "complex and rigid," according to an Asian Development Bank (ADB) report. "The AGO head office has seven layers of management, more than 280 structural management positions and a total staff of around 2,200 (20 percent of the total personnel in the national prosecution services). Provincial offices have six layers of management." Overall, the Public Prosecution Service suffers from "poor performance," according to the ADB, the result of "under funding, poor budgeting, and civil service regulations that do not promote good performance."¹¹⁷

The quality of prosecution work in terrorist cases depends *inter alia* on the prosecutors' understanding of the law and the quality of the underlying investigation. Police officials responsible for counter-terrorism are sometimes critical of prosecutors (and judges, as well) for not fully understanding the new counter-terrorism legislation. Assuring the quality of investigations of terrorist crimes requires close cooperation between the prosecutors and police. According to the ADB report, the two have a history of not properly coordinating.¹¹⁸

Foreign observers also criticize the performance of prosecutors in the trials of terrorist suspects since the Bali bombings. The failure of prosecutors to win convictions of Abu Bakar Bashir for his role as leader of Jemaah Islamiyah especially frustrated Indonesia's friends and neighbors.¹¹⁹ The Bush administration has applauded Indonesian police, prosecutors and judges for arresting and convicting more than 130 terrorists since the Bali bombings. But, in testimony before the U.S. Congress, a State Department official recently criticized the short sentence given "terrorist mastermind" Abu Bakar Bashir after his second trial, saying it "shows that much work needs to be done in strengthening the judicial sector, including coordinating the efforts of police and prosecutors, and educating judges regarding the threat of terrorism."¹²⁰

THE PENAL SYSTEM

Westerners, in particular, were surprised to find Abu Bakar Bashir receiving government officials as guests, meeting with associates, and holding press conferences during his imprisonment in Jakarta. Revelations about the radical cleric's prison lifestyle—combined with the report of Brigadier General Gories Mere's coffee shop meeting with Bali bombings inmate Ali Imron—underscore how little is known about the incarceration and rehabilitation of terrorists serving sentences in Indonesia's jails. In a recent report, ICG urged the government to consider the impact of imprisonment on *jihadists*. Are Indonesia's jails cultivating future terrorists? Will serving time in prison with Abu Bakar Bashir become this generation of *jihadists'* equivalent of serving with the *mujahidin* in Afghanistan? What actions is the Department of Justice and Human Rights—responsible for running Indonesia's penal system—taking to rehabilitate convicted terrorists or to preclude them from inspiring other inmates to *jihad*?

REGIONAL COUNTER-TERRORISM COOPERATION

Indonesian officials acknowledge that regional cooperation on counter-terrorism remains limited and ineffective. Some initial steps have been taken, but Southeast Asia lacks formal mechanisms for intelligence sharing and for converting actionable intelligence into operational response. Counter-terrorism cooperation among Southeast Asian governments comes more often as a result of personal relationships between senior military and police officials than through a regularized system of regional cooperation. Still, the heightened threat of terrorism has encouraged more active interchange among regional governments. Since 2001, Indonesia has been involved in Asia-Pacific Economic Cooperation (APEC), Association of Southeast Asian Nations (ASEAN), and ASEAN Regional Forum (ARF) discussions on cooperation in the war on terror. Some examples of the many regional meetings to facilitate cooperation follow:

- ★ Meeting in Kuala Lumpur in May 2002, ASEAN home affairs ministers agreed to take concrete steps to strengthen cooperation in combating terrorism.

- ★ ASEAN foreign ministers, meeting with Secretary of State Colin Powell in Brunei in August 2002, agreed to establish a regional intelligence network, take steps to block the transfer of funds to terrorists, and tighten border controls.
- ★ On July 1, 2003 Malaysia established a Southeast Asia Regional Center for Counterterrorism (SEARCCT). SEARCCT is expected to focus on regional training, information sharing, and public awareness campaigns, according to the U.S. State Department's report, *Patterns of Global Terrorism 2004*. In August 2003, SEARCCT hosted a training program sponsored by the U.S. Treasury's financial intelligence unit and Malaysia's Central Bank on combating terrorist financing.
- ★ Since 2001 Japan has hosted numerous seminars designed to build capacity in Southeast Asian countries, including Indonesia, on a wide range of counter-terrorism skills and techniques.
- ★ The APEC Counter-Terrorism Task Force, which includes Indonesia, meets regularly to coordinate the implementation of APEC members' efforts to dismantle international terrorist groups
- ★ In July 2004 the ARF adopted a Statement on Strengthening Transport Security against International Terrorism. Indonesia, Malaysia and the U.S. co-hosted a subsequent ARF confidence-building measures meeting on preventing and countering terrorists attacks against shipping.
- ★ ASEAN army commanders meeting in Jakarta in September 2004 agreed to exchange information on terrorist threats, but did not establish a mechanism for doing so.

These initial steps toward regional cooperation are welcome, though in the view of many analysts, not sufficient to deal with the threat. Indonesia would benefit from access to real-time intelligence on terrorist threats. According to a senior military intelligence officer, Indonesia's participation in operational intelligence exchanges with its neighbors is hampered by lack of computer resources. For exchanges to be useful, they must communicate information on which counter-terrorist forces can act. Lacking computer resources, Indonesia must rely on telephone communications that are often not rapid, reliable or secure enough to transmit actionable intelligence.¹²¹

Cooperation between Malaysia and Indonesia is spotty, according to several sources. *Patterns of Global Terrorism 2003* noted that Malaysia has detained more than 100 suspected terrorists under the Internal Security Act (ISA) since May 2001 and assisted Indonesian efforts to prosecute terrorist suspects by making video testimony from suspects in Malaysian custody available to Indonesian prosecutors.¹²² But the problem of providing actionable intelligence to Indonesians remains challenging due to Indonesia's lack of capacity.

Singapore has attempted to maintain a cooperative relationship in combating terrorism with Indonesia, as well as other Southeast Asian nations. According to *Patterns of Global Terrorism 2003*, during 2003, Singapore continued to investigate terrorist groups, especially JI, through both intelligence and law enforcement channels. Singapore also provided key information that helped Thailand track down and arrest top JI leader Hambali in August 2003. In February 2003, a tip off from Singapore led to the arrest of Singaporean and alleged leader of JI in Singapore, Mas Selamat Kastari, on the Indonesian island of Batam. Kastari is alleged to have planned to hijack an aircraft and crash it into Singapore's Changi Airport. Singapore also facilitated video testimony of three of its ISA detainees in the Indonesian trial of Jemaah Islamiyah leader Abu Bakar Bashir in August.¹²³

CHAPTER V FOREIGN ASSISTANCE

Foreign assistance plays an integral role in Indonesia's war on terror. Following the September 11 attacks in the U.S., Jakarta accepted modest counter-terrorism aid from the U.S. and Australia. After the Bali bombings, that assistance increased sharply with additional aid flowing from Japan, Singapore and the United Kingdom, as well. Donor assistance has ranged from intelligence sharing to training and equipping counter-terrorist forces. Broader programs aimed at reforming the Indonesian police, military and criminal justice system have delivered benefits to the counter-terrorism effort, too. This chapter reviews the most significant counter-terrorism assistance programs about which public information is available.

U.S. ANTI-TERRORISM ASSISTANCE (ATA) PROGRAM

Indonesia is a major recipient of U.S. Anti-Terrorism Assistance (ATA), a congressionally-funded program administered by the State Department's Office of Diplomatic Security (DS) through U.S. contract personnel in Indonesia. The program trains only police, as U.S. law prohibits training foreign military or paramilitary personnel.

The ATA program in Indonesia dates from 2001 when State Department specialists conducted a "needs assessment" to determine the existing counter-

terrorism capabilities of the Indonesian National Police and identify training and equipment requirements. The assessment resulted in a plan to train 100 investigators, 150 special weapons and tactics (swat) personnel, and 50 bomb disposal technicians and post-blast investigators over a three-year period (through September 30, 2005). (Indonesia already had 50 bomb disposal technicians who had received training in the U.S.) The success of the program motivated Jakarta and Washington to extend it beyond the initial three years.¹²⁴

The Bali bombings catalyzed Indonesian support for the ATA training effort. ATA in-country training in Indonesia began in 2003. In July 2003 the U.S. program graduated 30 counter-terrorism investigators who were sent to the Counter-Narcotics Task Force headed by General Gores Mere. The trainees were assigned to “chase and capture” teams that comprised the ad hoc Anti-Terror and Bomb (ATB) Task Force. They worked on both the Bali bombings and J.W. Marriott bombing cases, and participated in several significant arrests in 2003 and 2004.¹²⁵

The delay in formal establishment of Detachment 88 resulted from technical problems in U.S. authority to equip the new Indonesian counter-terrorist force. In October 2003 the program graduated Crisis Response Teams (CRT) and bomb disposal technicians who would eventually become the core of Detachment 88, with the CRTs being the unit’s “strike arm.” At that time, however, the ATA program had neither the resources to equip the Indonesian unit nor the authority from the U.S. Congress to provide equipment. So, during the second CRT training session, they brought the first CRT back for training on new equipment and graduated the second CRT in late December 2003. Finally equipped by ATA funding, Detachment 88 was officially “stood up” in March 2004. By the end of the ATA program had trained four 24-man Crisis Response Teams and two 15-man Explosive Incident Countermeasures teams. These teams were deployed at *Mabes Polri*, Jakarta, North Sumatra, and Bali. Additional courses were held in Post-Blast Investigation, Major Case Management, Tactical Command, Anti-Terrorist Instructor Development, and Weapons of Mass Destruction (WMD) Operations.¹²⁶

In the current fiscal year (October 1, 2004–September 30, 2005), the ATA

program plans to train two Crisis Response Teams and conduct one CRT Instructor course. These teams will be deployed in Central Java and Sulawesi. One Explosive Incident Countermeasures course and two Investigator courses are also planned. As a consequence of threats directed at prosecutors and judges involved in counter-terrorism cases, consideration is being given to adding courses in VIP Protection and Executive Awareness/Counter-Surveillance.¹²⁷

The U.S. has spent an estimated \$20 million on the Indonesia ATA training program to date, with an additional \$14 million planned or proposed for the next two years.

U.S. ANTI-TERRORISM ASSISTANCE PROGRAM FUNDING FOR INDONESIA

Fiscal Year 2003	\$8.0M
Fiscal Year 2004	\$5.8M
Fiscal Year 2005 (Estimated)	\$5.1M
Fiscal Year 2006 (Planned)	\$8.0M
Fiscal Year 2007 (Proposed)	\$6.0M
Total	\$32.9M

ATA training operates under the principle that Indonesian police units will be centrally trained and locally deployed. The U.S. funded construction of a \$3.5M counter-terrorism training facility east of Bogor at Megamendung. This facility—completed in October 2003—includes a firing range, shoot house, breaching facades, and classrooms. Australia, apparently using the same architectural plans, then built another Polri counter-terrorism training facility on a soccer field at the National Police Academy (AKPOL), the site of a former Japanese tea plantation at Semarang. The Semarang training site has a shoot house, simulation and dry fire buildings, and four different breaching facades. The site has 54 wireless remote controlled cameras to monitor training exercises. The site also features a four-story hotel on which students practice assaults and extractions. In addition, the Semarang site has an aircraft, a train in a train station, and a “boat in a moat” where students can practice hostage rescue and related activities. A U.S. source suggested, however, that this training site is not being

fully used by the police due to lack of operations and maintenance funds.¹²⁸

ATA uses a unit development approach in building capacity at Detachment 88. Regional police commanders (KaPoldas) have established Detachment 88 elements in their forces. The KaPoldas each received a portion of the crisis response training funds. These commanders have operational control of the Detachment 88 elements assigned to their areas, but administrative and funding support comes from Detachment 88 headquarters. The ATA program has trained police units from Bali, Jakarta, and Medan. The next units scheduled for training will be from Central Java and Sulawesi. The U.S. agreement with Polri calls for graduates of U.S. training to remain in counter-terrorism assignments for at least two years.¹²⁹

**COUNTER-TERRORISM COURSES TAUGHT AT MEGAMENDUNG POLICE
TRAINING SITE**

Investigations
Preventing, Investigating and Interdicting Acts of Terror
Post-Blast Investigations
Major Case Management
Anti-Terrorism Instructor Development
Crisis Response Training
Crisis Response Team Operations
Crisis Response Team Instructor Development
Tactical Command
Explosive Incident Countermeasures
Weapons of Mass Destruction Operations

U.S. Regional Defense Counter-terrorism Fellowships (RDCF) In October 1992, Congress restricted military assistance to Indonesia as a consequence of extensive TNI human rights violations in East Timor the year before. An amendment to the Foreign Operations Appropriations Act authored by Senator Patrick Leahy prohibited participation in the International Military Education and Training (IMET) Program and banned arms sales to Indonesia unless the Sec-

retary of State certified that the government in Jakarta had satisfied three conditions relating to human rights.¹³⁰ Congress regularly included language to this effect in subsequent Foreign Operations Appropriations bills.

After 9/11, the Bush administration complained that the inability to provide military assistance to Indonesia impeded the war on terror in Southeast Asia. Congress responded by relaxing some of the restrictions on TNI participation in IMET training, but maintained most of the prohibitions. The administration was, however, able to exploit differences among members of the congressional appropriations committees to make some funds available to Indonesia. The Fiscal Year (FY) 2002 Defense Appropriations Act appropriated \$17.9 million in so-called “no year” money, meaning Congress did not specify that it be spent in the year for which it was appropriated, for a “Regional Defense Counter-terrorism Program.” While the title of the program indicated the funds were intended for counter-terrorism training, the language was vague about the purposes for which funds might be spent. Fellowships were to be used “for [foreign] military officers to attend U.S. military educational institutions and selected regional centers for non-lethal training.”¹³¹

The Assistant Secretary of Defense Special Operations/Low Intensity Conflict (SO/LIC) allocated the funds among the six U.S. Regional Commands, including the U.S. Pacific Command (PACOM). Some \$3.8 million of the PACOM funds were earmarked for Indonesia. Additional funds—including reallocation of RDCF funds from other countries and other resources available to PACOM and SO/LIC—have been used to train Indonesians. Through 2004, more than 100 TNI officers had attended four types of training funded under this program: (1) counter-terrorism seminars and courses, (2) so-called Expanded IMET (E-IMET) courses that emphasize respect for human rights and civilian control of the military, (3) Professional Military Education courses at U.S. military war colleges and staff colleges, and (4) English language training to improve the pool of candidates available for future education and training programs. No data is available on the funds expended in each category. An estimated \$800,000 was expected to be allocated to train Indonesian personnel in FY 2005. Approximately \$700,000 of the remaining “no year” funds appropriated in

FY 2002 was also available for the current year, bringing the total available to an estimated \$1.5 million.

U.S.-Indonesia Defense and Security Consultations The accelerating thaw in defense and security relations between the U.S. and Indonesia has facilitated in depth discussions of counter-terrorism at senior levels. Indonesian Defense Minister Juwono Sudarsono and U.S. Deputy Secretary of Defense Paul Wolfowitz exchanged visits earlier in 2005, giving both officials an opportunity to discuss counter-terrorism plans, programs and operations. The new PACOM Commander, Admiral William Fallon, visited Jakarta for talks with senior Indonesian officers in April. Possibly as an outgrowth of these meetings, U.S. and Indonesian military officers met in Jakarta for almost a week in May 2005 to discuss counter-terrorism cooperation, according to a U.S. Embassy spokesman.¹³² In the joint statement following their May 25, 2005 meeting in Washington, Presidents Yudhoyono and Bush cited the planned meeting of the “Third Indonesia-United States Security [sic] Dialogue” in mid-2005 and expected “further meetings of the Bilateral Defense Dialogue.”¹³³ While not “military assistance” strictly defined, these consultations help each side calibrate cooperation with the other and, to the extent they incorporate discussion of counter-terrorism, explore areas where assistance might be useful.

Justice Sector Assistance Immediately after the Bali bombings, as noted in Chapter I, Washington sent FBI forensics specialists and investigators to assist Polri with its investigation. Since then, in addition to the ATA Program, the U.S. has provided assistance designed to increase overall police capability and improve the judicial system in Indonesia. These programs are intended to operate in concert with President Yudhoyono’s policy goal of drastically reducing corruption. U.S. officials agree that creating a more professional, less corrupt criminal justice system—police, prosecutors and judges—will increase the likelihood that international terrorists can be successfully arrested, prosecuted and convicted. The International Criminal Investigative Training Assistance Program (ICITAP), administered by the U.S. Department of Justice, has the difficult task of capacity building in Polri. This program also incorporates reference to counter-terrorism investigations in its executive seminars for senior

police officers and discusses terrorist financing issues in its cyber crimes investigation project. ICITAP also funds a forensics pilot program in Surabaya that includes responses to terrorist incidents.¹³⁴ Where the Justice Department's ICITAP program assists in the broad development of policing capacity, the State Department's International Narcotics and Law Enforcement (INCLE) program is targeted more specifically at helping foreign governments combat transnational crimes such as narcotrafficking and organized crime. INCLE funding for Indonesia is about \$10 million in FY 2005 and supports building civilian judicial capability in Indonesia.

U.S. Intelligence Assistance No official data is available concerning U.S. intelligence agencies' assistance to Indonesian organizations. U.S. policy is to share intelligence information about terrorist threats with friendly governments and to provide intelligence training and equipment, where appropriate. It is reasonable to assume that CIA provides assistance of this sort to BIN, but neither government has acknowledged that such a relationship exists. Press reports regularly cite instances of intelligence cooperation, however. *The New Straits Times* of Malaysia reported in November 2003, for example, that CIA personnel were assisting Indonesian police in the hunt for Dr. Azahari and Noordin Top. According to an apparent Indonesian government source, "American intelligence personnel in Jakarta" operated equipment to monitor the fugitives' cell phone calls, trace and identify the location of participants in conversations. The information was provided to Indonesian police who were tracking the two terrorists.¹³⁵

Additionally, in late 2003 the State Department noted that the U.S. provides training to Indonesia's financial intelligence unit to strengthen anti-money laundering and train counter-terrorism intelligence analysts, and conducts and analyst exchange program with the U.S. Treasury Department.¹³⁶

AUSTRALIA'S ASSISTANCE PROGRAMS

Indonesia is important to Australia by virtue of its geographical proximity, trade and investments, and tourist flows to Bali and elsewhere. While the U.S. provides significant assistance to Indonesia's war on terror, Australia has taken a leading role in counter-terrorism aid. For Australians, Indonesia is not a "Second

Front” in the fight against terrorists; it is the front-line. One month after the Bali bombings, the al-Jazeera network broadcast an audiotape, reportedly made by Usama bin Laden, claiming al Qaeda’s involvement in the attacks. The voice attributed to bin Laden states: “We warned Australia before not to join in the war in Afghanistan and against its despicable effort to separate East Timor. But it ignored this warning until it woke up to the sounds of explosions in Bali. Its government subsequently pretended, falsely, that its citizens were not targeted.” The tape continued with a call on Australia and other American allies to abandon the U.S. “gang of criminals.”¹³⁷ These factors suggest that U.S. counter-terrorism assistance to Indonesia should be closely coordinated with Australia’s efforts.

As noted, Australia has been an active supporter of Indonesia’s efforts in the war on terrorism. The two governments signed a Memorandum of Understanding on Counter-Terrorism in January 2002, prior to the Bali bombing, in which they agreed to cooperate on information and intelligence sharing, law enforcement, anti-money laundering and terrorist financing, cooperation on border control systems and aviation security. Australia pledged us\$6.46 million in aid to Indonesia.¹³⁸

During the 2004 Australian election campaign, Prime Minister Howard promised to double the government’s counter-terrorism assistance to Indonesia (to us\$15.4 million) over the next five years. In February 2005 Australia and Indonesia began a customs capacity building assistance program to enhance Indonesian customs intelligence development and port and ship search and surveillance capabilities. Australia is also providing significant assistance too improve Indonesia’s lax border control passenger movement alert checking system. An agreement known as the Arrangement on the Joint Australia-Indonesia Aviation Security Capacity Building Project was signed in March 2005 during President Yudhoyono’s visit to Australia.¹³⁹ Another technical agreement—described in Chapter I—allows Australian police to play a significant role in hunting for terrorist fugitives in Indonesia.

Intelligence Cooperation Australia’s intelligence community is actively engaged in Indonesia. Three elements of the community are particularly

involved in counter-terrorism intelligence cooperation. The Australian Security Intelligence Organization (ASIO) is the country's primary counter-terrorism and counter-espionage intelligence agency, and reports to the Attorney General. ASIO collects information and produces intelligence to warn the government about threats to Australia's security or interests abroad. The Australian Secret Intelligence Service (ASIS, Australia's counterpart to the CIA, collects foreign intelligence, primarily through human sources, and produces intelligence reports for key government decision makers. ASIS reports to the Minister of Foreign Affairs. The Australian counterpart to the U.S. National Security Agency, the Defence Signals Directorate (DSD), operates under the Minister of Defence. DSD collects foreign signals intelligence and produces reports based on the information it collects.¹⁴⁰ Each of these organizations assists Indonesia in its war on terror.

Australia's intelligence agencies had been monitoring the activities of Islamic terrorist organizations in Southeast Asia prior to the 9/11 attacks in the U.S. Following those attacks, the Australian government had significantly increased funding for intelligence activities, clarified legal issues, and established a Joint Counter Terrorism Intelligence Coordination Unit. Chapter I describes the response of the government to the October 2002 Bali bombings, when a 46-man inter-agency team (including ASIO and DSD personnel) was dispatched to assist the Indonesian National Police in their investigation. Since the bombings, Australia has opened a permanent intelligence liaison office in Jakarta. Australian intelligence officers continue to assist Indonesian police in tracking down the fugitive Malaysian terrorists, Dr. Azahari and Noordin Top. Press reports suggest that cooperation between Australian and Indonesian intelligence agencies on other terrorist intelligence matters remains close.

Australia has taken the lead in providing counter-terrorism intelligence training to the intelligence arm of Detachment 88, as well as to the National Intelligence Agency, BIN, and the financial intelligence unit, PPATK. According to an Indonesian official, Australia (joined by Singapore) funded construction of BIN's training facility at Batam in 2003.¹⁴¹ The Australian Department of Defence teaches a defense intelligence research and analysis course to Indonesian

military, police and BIN officers in both in Australia and Indonesia. The critical thinking skills and analytical techniques taught are applicable to counter-terrorism intelligence as well as other transnational threats. The three-week course is offered three times yearly with 30 students in each class.¹⁴² Last year Prime Minister Howard said Australia would spend A\$20 million over four years to establish a “Centre for Counter-terrorism Cooperation and Joint Intelligence Training” in Australia where Australian experts would train intelligence officers from other countries in the region.¹⁴³

The Australian Transaction Reports and Analysis Center and the Indonesian counterpart agency, PPATK, signed a Memorandum of Understanding in February 2004 to cooperate in the exchange of financial intelligence. Australia has assisted the Indonesian financial intelligence unit in building investigative skills and detecting patterns of financial transactions that could be used in terrorist financing. Earlier this year, Australia announced it would provide an additional A\$2 million in assistance.¹⁴⁴

The Bali Ministerial In February 2004 Australia and Indonesia convened a regional meeting of Justice and Interior ministers—the Bali Regional Ministers Meeting on Counter-Terrorism—to promote counter-terrorism information sharing and cooperative legal frameworks. Twenty-five countries in the region and the EU participated. Australia and Indonesia continue to work together on the Law Enforcement Working Group and the Legal Issues Working Group established by the Bali meeting.

Jakarta Center for Law Enforcement Cooperation A significant outcome of the Bali meeting was the establishment of the “Indonesia Center for Law Enforcement Cooperation.” Australian Foreign Minister Alexander Downer announced that Australia would \$27.7M over five years to create a regional center with both a capacity-building and operational mandate. The Center would “provide operational support and professional guidance in response to specific terrorist threats or actual attacks.” Training would include “tracking and interception of terrorists, forensics, crime scene investigation, financial investigations, threat assessments, security support for major events and consequence management, criminal prosecution and counter-terrorism legislative drafting skills.”¹⁴⁵

As a result of a misunderstanding, the entity was officially named the Jakarta Center for Law Enforcement Cooperation (JCLEC), although it is located in Semarang. It opened in July 2004 under the command of Inspector-General Paulus Purwoko. An energetic, intellectual police officer, he has raised funds for the Center from several foreign donors, including Netherlands and the United Kingdom. The curriculum at the Center follows the plan outlined by Downer in his announcement. Courses at the Center are open to students from the National Police, BIN, prosecutors, and judges.¹⁴⁶

Military Counter-Terrorism Assistance Although Australian military cooperation with the Indonesian military declined during the 1999 East Timor crisis, Canberra was careful not to close the door entirely on its relationship with TNI. Since the Bali bombings, according to a December 2004 ICG study, Australia “has made efforts to restart a modest program of cooperation in counter-terrorism with Kopassus, in the belief that only Kopassus has the capability at present to react rapidly to hostage crises in which Australian citizens might be involved.”¹⁴⁷

JAPAN

Japan is active regionally in building counter-terrorism cooperation and capacity, and has been particularly helpful to Indonesia. Since 2001, Japan has provided capacity building assistance to combat terrorism to Southeast Asian countries, including Indonesia, in nine areas: (1) immigration control, (2) aviation security, (3) port and maritime security, (4) customs cooperation, (5) export control, (6) law enforcement cooperation, (7) anti-terrorist financing, (8) counter-WMD terrorism, and (9) international counter-terrorism conventions and protocols. Japanese National Police Agency officials assisted the Indonesian National Police investigations following the Bali bombings in October 2002 and the J.W. Marriott Hotel bombing in Jakarta in August 2003. In June 2003, during President Megawati’s visit to Japan, Japanese and Indonesian Foreign Ministers issued a Joint Announcement on Fighting against International Terrorism. Japan is also an active participant in the Bali Ministerial process and has supported the JCLEC. Japan’s technical assistance to Indonesia

in the area of counter-terrorist financing is especially noteworthy. Since 2002, Japan has sponsored several experts seminars for Indonesian PPATK officials on establishing and operating a financial intelligence unit.¹⁴⁸

SINGAPORE

While other countries have publicized assistance to Indonesia in varying degrees, Singapore has characteristically kept a low profile. But, as the U.S. State Department has observed, Singapore has “worked vigorously to advance the counter-terrorism agenda in bilateral and multilateral contexts.” This includes maintaining a dialogue with Indonesian authorities. Since breaking up Jemaah Islamiyah cells in Singapore in December 2001 and August 2002, Singapore authorities have pressed their own investigation of the group and continue to detain 33 JI members under the Internal Security Act. Singapore provided information to Indonesia to assist in the second trial of Abu Bakar Bashir. It has also requested that Indonesia extradite to Singapore several Jemaah Islamiyah members to be tried for conspiracy to commit terrorist acts.¹⁴⁹ Indicative of the sensitive nature of their relationship, Indonesia has not complied with Singapore’s request.

CHAPTER VI

CONCLUSIONS AND RECOMMENDATIONS

Combating terrorism is not Indonesia's highest priority. Given the array of problems facing the nation, terrorism may not even be in the top 10. A plethora of more serious problems dominate the President Yudhoyono's agenda. The tsunami and its aftermath claimed an estimated 150–200 thousand lives in Aceh and Nias. Reconstruction and rehabilitation may take a generation to complete. Indonesia ranks near the bottom of asean in maternal mortality as well as infant mortality. The aftereffects of the 1997–98 financial crisis still echo in the Indonesian economy. A significant percentage of the rural population lives in poverty, lacking basic healthcare, transportation, and employment opportunities. Uncontrolled urbanization has bred social maladies, infrastructure decay, and transportation nightmares. Corruption is endemic.

Indonesia is also resource rich and culturally attractive. It is en route to becoming a vibrant democracy. With its myriad problems come many opportunities. But, if the nation is to exploit its advantages and make the most of its potential, Indonesia must shed both its image as a dangerous state and the reality of indiscriminate violence. Jemaah Islamiyah and groups associated with it cannot overthrow the Indonesian government and impose their version of an Islamic state on the Indonesian people. But terrorists can divert the nation from the democratic and modernizing course that it has set.

Intelligence indications of planned attacks against Western diplomatic facilities in early June 2005, in addition to recent bombings attributed to communal hatreds in Sulawesi and the Maluku, underscore the persistent security challenge. These security problems threaten to disturb once again the nation's fragile social balance and to undermine President Yudhoyono's campaign to restore confidence in the government and economy and attract the foreign investment so vital to Indonesia's progress.¹⁵⁰

Terrorism destroys innocent life, disrupts commerce, deters investment, challenges the rule of law, and saps the energy of the nation's human capital. Terrorism distracts Indonesia from fixing its serious problems. Indonesians cannot afford terrorism, and they should not tolerate it. The Indonesian people have compelling reasons for pursuing their own war on terror.

CHALLENGES FOR THE YUDHOYONO ADMINISTRATION

Beginning with the Bali bombing, Indonesian police established a strong record in combating international terrorism. The Polri has conducted successful investigations of terrorist incidents, employed foreign assistance effectively, and built a record of arrests of terrorist suspects. The police are training and deploying counter-terrorism specialists at a reasonable rate. The judicial system has tried, convicted and jailed numerous terrorists.

President Susilo Bambang Yudhoyono initially made combating terrorism a priority for his administration and illustrated his seriousness of purpose by publicly directing the Indonesian National Police to capture the masterminds of the J.W. Marriott and Australian Embassy bombings during the first 100 days of his administration. Earlier this year, in Australia, he rededicated his government to conducting a war on terrorism in Indonesia.

But the Polri did not succeed in capturing the fugitive terrorists Dr, Azahari and Noordin Top. President Yudhoyono has not successfully mobilized domestic support for criminalizing Jemaah Islamiyah. He has not articulated a national policy on terrorism or created a mechanism to oversee the implementation of policy in this critical area. Indonesian intelligence agencies function not as a community coordinating its efforts, but as a group of independent

rivals. Competition between the military and the police limits the ability of both to prevent future attacks. International organizations still rate Indonesia's government as among the world's most corrupt, and Polri sets the pace. In 2004 the Asian Development Bank, citing Polri's poor record of service, warned: "... stories of quality police work such as the inquiry into the Bali and J.W. Marriott terrorist attacks are exceptions to the general rule."¹⁵¹ The Indonesian military, while regrouping under new leadership, still suffers from a reputation for corruption and abusive behavior. The prosecution of terrorists is frustrated by lack of training available to prosecutors and judges. Anecdotal evidence suggests the Indonesian prison system offers little hope of rehabilitating convicted terrorists.

In fact, although the situation has improved markedly since the Bali bombing, Indonesia's counter-terrorism effort is still hampered by lack of public support, weak rule of law, a poorly regulated financial system, unmet training and equipment needs, serious internal coordination problems affecting intelligence, law enforcement and the armed forces, and an ineffectual criminal justice system. Constructive parliamentary oversight of counter-terrorism policy and operations is virtually non-existent. Moreover, regional cooperation in combating this transnational threat—burdened by deep-seated mistrust and rivalries—has not evolved.

The Yudhoyono administration faces political, bureaucratic, and resource obstacles to improving its response to the threat posed by international terrorism. Opposition from Islamist parties, entrenched institutional interests, and budget shortfalls restrict the government's ability to marshal its capabilities in the fight against terrorism. Moreover, as ICG has demonstrated, the roots of Islamic extremism run deep in Indonesian society. Government action may control their spread, but may not in the near term succeed in choking them off. The upshot of this reality is that President Yudhoyono cannot move too far too fast in his war against international terrorists in Indonesia.

President Yudhoyono knows what Indonesia needs to do to improve its performance in its war on terror, and he knows just as well the obstacles to success. He is obviously dedicated to protecting the state and society against

international terrorism within the bounds of Indonesia's political circumstances. Delivering recommendations to his government thus has an element of "carrying timber into a wood," as the poet Horace wrote. But, in the interest of stimulating discussion on the issue in other quarters, this paper concludes with some ideas about how a time-phased approach might enhance the government's ability to prosecute Indonesia's war on terror.

NEAR-TERM STRATEGY (1–2 YEARS): CONTAIN THE JEMAAH ISLAMIYAH NETWORK

What Indonesia can do now is to contain the JI network, that is, prevent the expansion of JI and associated terrorist groups. In a recent analysis of Jemaah Islamiyah and its *jihadist* partners, ICG suggested that Indonesia ought to be able to contain the terrorist network if "communal tensions are properly managed; no major center of international *jihadist* training emerges; law enforcement capacity is improved, and the government gives more serious thought to the impact of prison on *jihadists* in custody; and better control is exerted over the sale and transfer of arms, ammunition and explosives."¹⁵² This is a useful starting point for a containment strategy, having several of the elements necessary to prevent the expansion of Jemaah Islamiyah and its associated groups.

A containment strategy might best be expressed by incorporating three ideas:

- ★ Maintaining a peaceful social climate to control the impulse to redress social, economic or religious grievances by violent means;
- ★ Building the capacity of the government's counter-terrorist instruments—intelligence, investigative, and strike forces—to interfere with terrorist recruiting, deny sources of funding, restrict access to weapons and explosives, disrupt plans, prevent attacks where possible, conduct post-incident inquiries and prosecutions when necessary; and orchestrate the instruments more effectively; and
- ★ Explaining to the Indonesian people why containment is necessary and beneficial—in effect, winning the public opinion battle—and to de-legitimize the terrorists, enlarge the pool of potential sources of information about terrorist activities, and preserve the democratic context of the strategy.

Maintaining social peace Maintaining social peace in Indonesian is an essential goal in a near-term counter-terrorism strategy. Religious, ethnic and other social conflicts that have characterized recent Indonesian history may abate, but they are quite unlikely to end. Ironically, democratic politics may have created space in which these conflicts in Indonesian society can play out. Dutch scholar Freek Colombijn points out, “the use of violence has deep historical roots.” He notes “the ease with which the use of violence is considered legitimate,” particularly against those defined by Indonesians’ collectivist cultures as “outsiders”—other groups who are not seen as humans and for whom the rules of interpersonal conduct do not apply.¹⁵³ The vigilantes who, often under the patronage of Indonesian politicians, wreak havoc on persons of different ethnic and religious groups legitimize the use of violence and inspire Jemaah Islamiyah and other terrorist elements.

Communal conflicts have in the past served as incubators for terrorism in Indonesia. Sidney Jones, chief ICG researcher on Southeast Asian terrorism, observed recently that “a complex web of personal alliances among Indonesian *mujahidin*, born out of communal conflicts and strengthened by military training at home and abroad, are going to continue to cause problems for the foreseeable future.” Referring to the ability of Indonesian terrorists to wreak havoc without external assistance, she said: “The network of contacts spawned by past communal conflicts means they don’t need a command structure or an institutional base. Terrorism in Indonesia can be decentralized and wholly domestic—and just as dangerous as ever.”¹⁵⁴ Moreover, these small groups with local grievances and sufficient infrastructure and popular support can themselves eventually become attractive to international terrorist groups.

How to mitigate conflict and curb communal violence is clearly the question. In the near-term, democratic politics, good governance, and civil society might provide *part* of the answer.

★ Democratic politics—even though it opens space for Islamist extremist organizations—still presents a potential means for allocating scarce resources in the larger society in a fair and equitable manner, thus reducing the circumstances in which violence is the only available means for addressing grievances.

But politics cannot succeed in an environment where participation in decision making is low (even if participation in elections is high) and corruption is rife. The Yudhoyono administration's plans for decentralization and the president's campaign against corruption offer promise, and deserve support.

★ Good governance can lower tolerance for violence by acting swiftly and fairly to root out and punish those who use violence to achieve political objectives or to eliminate "outsiders" whom they perceive as threatening. Establishing the rule of law where criminals can be punished and grievances can be adjudicated in a just and predictable manner is essential to maintaining social peace.

★ Civil society organizations that embrace peaceful resolution of conflict—especially the moderate Muslim organizations—can provide outlets for the expression of grievances, influence their redress, and deliver needed services, while developing community norms against violence. There does appear to be a consensus in Indonesia and abroad that the best antidote to extremist infection—and to temper communal passions—is the nurturing of the nation's moderate Muslim mass organizations.

Building counter-terrorist capacity *Adopt an intelligence law.* Earlier this year, Indonesian Defense Minister Juwono Sudarsono was asked if he agreed with a comment by former Prime Minister Singaporean Lee Kwan Yew that Indonesia needed an Internal Security Act to combat terrorism effectively. Dr. Sudarsono responded no, Indonesia's anti-terrorism laws were sufficient. "If our intelligence capability were better, acts of terror in Indonesia could be prevented, regardless of any legal shortcomings."¹⁵⁵ While he may have been overly optimistic about prevention of specific attacks, Dr. Sudarsono made a serious point about the importance of intelligence. Indonesians have rejected a draconian Internal Security Act modeled on Singapore's statute. But, in part because of past abuses, they have not embraced the notion of a strong intelligence community operating under clear rules and parliamentary oversight. Adopting an intelligence law that assigns roles, sets limits and requires accountability might be a first step in assuaging public apprehension. It may become a necessary, but not exclusive requirement to build capacity in Indonesia's intelligence community.¹⁵⁶

Improve intelligence collection, analysis, and dissemination. The key to improving counter-terrorist intelligence collection is training and equipment. Solving the shortfall in analysis—the collation, analysis and evaluation of raw data—is another matter. As indicated in Chapter IV, counter-terrorist intelligence analysis requires a unique combination of science and art. The rote learning style of Indonesian education is not conducive to producing the intellectual outlook, imagination, and skill in pattern recognition that counter-terrorism intelligence demands. This makes the content, practice and frequency of intelligence training courses extremely important. Dissemination of intelligence information to those who really need it is a vexing problem for all intelligence agencies. It is especially so for counter-terrorism intelligence because the best information is that which can be acted on.

Improve coordination among intelligence agencies. Although extremely difficult to achieve in the near-term, the government could also initiate efforts to improve coordination of counter-terrorism intelligence collection and analysis among Indonesia's intelligence agencies. Bureaucratic interests are so entrenched and rivalries so deep that an ad hoc approach may be the most attainable near-term goal. But the president can nudge the agencies toward greater cooperation. Holding regular meetings of counter-terrorism intelligence analysts, for example, might be a start. Analyst exchanges might encourage cooperation in other areas, such as establishing common databases on terrorist organizations and their leaders. Eventually, better communication might encourage cooperation in setting priorities and collection requirements, leading eventually to real coordination. (Improvements in coordination will be very modest until Indonesia establishes an intelligence community with a leader whose status and responsibilities are defined in law. Such a development is a mid- or, more likely, long-term objective.)

Expand the government's ability to interdict terrorist financing. Indonesia has made some strides in improving its financial intelligence capabilities, evidenced by the FATF to remove Indonesia from its non-compliance list. But more needs to be done. Efforts are needed to improve regulation of the financial system, strengthen laws against money laundering, and increase investigators'

ability to track terrorist financing. This is an area in which international donors have been helpful, and can provide additional expertise and funding. International partners cannot help, however, on the critical matter of cracking down on Islamic charities that fund terrorist elements. Only Indonesia's political leaders can summon the courage to act against these groups.

Delineate the roles and missions of the key counter-terrorist forces. The Indonesian military and police forces are probably not ready to integrate their counter-terrorism capabilities. But they do need to identify the roles and missions of the respective services. Unnecessary duplication is not only expensive, but also complicates planning and can be problematic in crisis situations.

Continue to develop Detachment 88 intelligence, strike and investigative capabilities. Combating terrorism is primarily a law enforcement function in Indonesia. This requires a continuation of the skills-based and unit level training that Detachment 88 has been conducting, as well as the frequent testing of counter-terrorist personnel and units through exercises and simulations. Based on the nature of the terrorist threat to Indonesia—small cells, often acting independently, employing suicide bombers—Detachment 88 should give priority to investigative training. While strike forces are necessary, building investigative capacity to break up the cells, disrupt recruitment of suicide bombers, and arrest the support teams is more valuable at this time.

Maintain a counter-terrorism capability in the armed forces. While Polri has primary responsibility for counter-terrorism, prudence dictates that the TNI train its special operations forces for extraordinary situations that exceed Polri capabilities. Such scenarios might include responding to terrorists' seizure of offshore oil/gas drilling platforms or commercial shipping, conducting assaults against major terrorist training facilities, or reacting to catastrophic terrorist attacks involving high civilian casualties and loss of local government leadership.

Establish a joint exercise planning cell in the Counter-Terrorism Coordination Desk. Exercise planning can be a constructive means for developing cooperation between institutions that are otherwise disinclined to work together—even if the planned exercises are never conducted. Given the state of bureaucratic rivalry between the TNI and the Polri, and among the intelli-

gence agencies, it may be premature to suggest the development of a joint counter-terrorism exercise program. But bringing together TNI and police personnel to do joint exercise planning might well lay the groundwork for real cooperation in the future. Exercises need not involve the movement of forces or the conduct of assaults. The planning process can begin with seminars for commanders and graduate to command post exercises before actual operational exercises are considered. At the very least, a joint exercise planning cell could develop concepts (if not contingency plans) for emergency airlift and sealift of Polri forces using TNI transportation resources.

Involve decision makers at all levels in counter-terrorist exercises. Even if TNI and Polri and other counter-terrorist elements do not exercise jointly, they should continue to exercise singly. When they do, it would be useful to invite decision makers (e.g., presidential staff, cabinet officials, and governors) to observe or participate. Several observers have expressed concern that Indonesia's operational forces are far better prepared for situations involving a response to terrorists than the government decision makers who will task the forces to act. Whether this is, in fact, the case is unknown. But, if decision makers in Jakarta and the regions have not been engaged in counter-terrorist exercises, they definitely should be. These political leaders need to understand where, when and under what circumstances use of force decisions are required.

Promote reform in the criminal justice system. Continuing reform of the criminal justice system to purge corrupt elements and streamline processes for handling terrorism cases is an important element in strengthening capacity. This is an area where Indonesia's international partners can help. During his talks in Jakarta on May 7, 2005, for example, U.S. Deputy Secretary of State Robert Zoellick offered additional American assistance for "legal and judicial and prosecutorial reform efforts . . . to strengthen the overall ability to deal with . . . terrorism."¹⁵⁷ U.S. Department of State, "Press Conference in Indonesia, Robert Zoellick, Jakarta, May 7, 2005. One idea suggested by several sources is to establish a special task force in the Attorney General's Office for prosecuting terrorist cases.

Explaining the Terrorist Threat to the Indonesian Public Indonesians' reactions to Abu Bakar Bashir are instructive. A recent Council on Foreign Relations study convened focus groups in Indonesia prior to the second Bashir trial. Many Indonesians in the focus group associated the radical cleric with violence or extremism. "But roughly as many people were sympathetic, seeing him as a 'religious person' who is a 'victim' or 'scapegoat' facing unfounded charges. ... A similar mix of views was expressed about him in another study conducted two years ago."¹⁵⁸ That opinion should be so closely divided about a terrorist leader whose followers have killed several hundred Indonesians in bombings over the past several years is worrisome. It is not a stretch to conclude that the government's message is not getting through to the Indonesian public.

President Yudhoyono has taken a strong rhetorical stand against international terrorists during his trips abroad. He should be making the same case with the same urgency at home. The president needs to explain why terrorism threatens Indonesian society, the economy, social stability and politics. Coordinating the public information resources of the government to undertake such an educational enterprise represents a significant challenge with concomitant political problems. But draining the swamp is a prerequisite to removing the alligators. More information about the terrorist threat might help turn public opinion against Jemaah Islamiyah and its associates. An environment more hostile to terrorism might deter some from committing terrorist acts and encourage Indonesians to point the authorities toward those who do.

MID-TERM (3–5 YEARS) STRATEGY: INTEGRATE COUNTER-TERRORISM INTELLIGENCE AND OPERATIONS

The three broad goals of the Near-Term Strategy cannot be achieved in 1–2 years. They are long term undertakings that, in fact, the Indonesian government is even now pursuing with varying degrees of enthusiasm. The Mid-Term Strategy assumes that this work will continue. What the Mid-Term Strategy adds is the politically charged, bureaucratically challenging task of getting the instruments of counter-terrorism to work together effectively. This is a monumental coordination task that seems best timed for 3–5 years in the future. Still,

in the zero-sum-game world of Indonesian bureaucratic politics, these ideas will be extremely difficult to implement.

Develop and articulate an integrated counter-terrorism strategy One might think that developing and articulating an integrated strategy to combat terrorism would be the first near-term task. President Yudhoyono does not need advice on the elements of a sound counter-terrorism policy. His own background and experience inform him in this specialized area. Nor does he need to start from scratch to construct an integrated national strategy. The Coordinating Desk for Counter-Terrorism has already built a strategy that looks comprehensive and executable. The real difficulty lies in convincing the relatively autonomous agencies involved in counter-terrorism that they need to work in concert against the terrorist target. In the Indonesian context, it will take time to amass the political capital required to push an integrated approach to counter-terrorism and it will take political will to spend the capital.

Empower the Counter-Terrorism Coordinating Desk to function as a national planning resource with authority to coordinate a strategic planning process that can influence mission area resource allocation decisions.

Establish a national counter-terrorism center to coordinate intelligence collection and analysis and conduct operational planning. Unlike the CTCD, designed to facilitate planning and coordination, a national counter-terrorism center would be an operational entity to manage time critical situations. The head of national counter-terrorism center might report to the president through the Coordinating Minister for Political, Security and Legal Affairs. It might be staffed with representatives of BIN, BAIK, Polri, Kopassus, PRATK, and the ministries of Finance, Justice, Immigration and Customs, and linked electronically to their operations centers. Even looking 3–5 years into the future, this concept will be a “tough sell,” that is, it will require political risk-taking by the president to table a proposal and strong presidential leadership to move it through the DPR. But, such a center would be invaluable in coordinating the government’s disconnected counter-terrorism instruments.

Revisit the decision not to outlaw Jemaah Islamiyah If public education works—that is, if public opinion swings measurably against the extremists and

is coupled with public acceptance of the government's role in protecting society from transnational terrorism—then President Yudhoyono should reconsider his decision not to outlaw Jemaah Islamiyah. “Reconsider” does not mean change his position. It means objectively review the pros and cons of banning the organization in accordance with Indonesia's obligations to the United Nations, its responsibility to its ASEAN neighbors, and its inherent right of self-defense.

Encourage greater regional cooperation on counter-terrorism matters, including intelligence sharing. Of course, the infrastructure for greater regional cooperation is being laid at the present time. But, if the Southeast Asia Regional Center for Counter-Terrorism in Malaysia and the Jakarta Center for Law Enforcement Cooperation in Indonesia show promise in their training functions, the next step will be to explore operational cooperation in combating terrorism. This will necessarily be a slow process, but it is unlikely to commence without Indonesian leadership. That leadership may be ready to emerge in the 3–5 year period.

LONG-TERM (6–10 YEARS) STRATEGY: ESTABLISH A MODERN NATIONAL SECURITY SYSTEM TO COORDINATE THE WAR ON TERROR

Over the longer term, the Indonesian government might prepare the groundwork for a modern national security system in which terrorism is managed through a broader inter-agency process that accommodates differing bureaucratic interests, establishes national policy and strategy, prioritizes threats, allocates responsibilities and resources against specific problems, and oversees policy implementation. This would require a legal entity such as a National Security Council, to bring together the heads of ministries, departments and agencies involved in national security affairs, including counter-terrorism, for the purpose of making policy recommendations to the president.

WHAT INDONESIA'S INTERNATIONAL PARTNERS CAN DO

The title of this paper—*Indonesia's War on Terror*—was deliberately chosen to emphasize that Jemaah Islamiyah and its *jihadi* associates are Indonesia's problem. The United States, Australia, Japan and Indonesia's Southeast Asian neigh-

bors share an interest in the outcome of Indonesia's war on terror, and where possible they should assist Indonesia in its prosecution. But it is Indonesia's battle.

Much of what Indonesia's international partners can contribute is simply understanding a complex and intriguing society. But, Indonesia also has real needs that its friends can address. Following are donor assistance goals that mix elements of understanding and material assistance.

Appreciate the challenges facing Indonesia's fledgling democracy Recognizing that it is Indonesia's war means that Indonesia's friends must understand the stresses and pressures that the conflict brings. That means not pushing the Indonesian government to take actions beyond its political, technical or operational capabilities. It means, in particular, listening to what Indonesians are telling their foreign friends.

Understand that most Indonesians' view the U.S. war on terror with skepticism, and many see it as a war on Islam. Reading public opinion polls about Indonesian perceptions of the U.S. and Bush administration foreign policy since the 9/11 attacks is a jarring experience. While the extraordinary life-saving efforts of the U.S. armed forces following the December 26, 2004 tsunami in Aceh moderated Indonesian views, the underlying suspicions about the United States, its policies and its purposes, persist. The Council on Foreign Relations focus groups mentioned earlier reflected a perception that "U.S. policies in the war on terror are seen as feeding violence rather than reducing it. Many focus group members argued that the United States used terrorism as a pretext to attack Muslim nations or that it—unwittingly or wittingly—provoked terrorist attacks."¹⁵⁹ Indonesians skepticism about U.S. motives and actions in the war on terror requires the U.S. to be judicious in its delivery of counter-terrorism assistance to the Indonesian government.

Expand public diplomacy programs in Indonesia Public opinion polls suggest that Indonesians generally admire American society and think positively about much of American culture. The deep disaffection that appears in these polls derives primarily from opposition to Bush administration policies. In its study on attitudes in Indonesia and two other Muslim majority states, the Council on Foreign Relations found that focus group members "are angry about

what they have heard concerning the war with Iraq, the war on terror, and attitudes toward Muslims in the post-September 11 United States.” This information has been filtered via new satellite-television networks that have focused on the negative and driven local television and press coverage. U.S. assistance programs have become invisible even as their budgets have soared. (Indonesian tsunami relief was the exception here, showing that well-publicized aid can ease anger toward the United States.) Reflecting this, most Muslims say the message they hear from America is force and they reject administration views out of hand.¹⁶⁰

The Council’s finding is not a revelation, but a reaffirmation that the Bush administration needs to pay more attention to how it explains its policies to Muslims. Of course, better explanations will not necessarily create support for American policies, but an improved public diplomacy effort might overcome some of the misperceptions and misunderstandings about those policies. The better understood those policies are, the easier it is for friendly governments such as Indonesia to cooperate with its international partners in the global war on terror.

Increase indirect assistance to moderate Islamic civil society organizations and education institutions. Possibly the most valuable foreign assistance programs in the war on terror are those designed to strengthen civil society, support education reform, nurture democratic institutions, and build tolerance in the broader community. These activities not only contribute to capacity building, but also help blunt the voices of violence and division. The United States has been quietly funding non-government organizations to build these programs for several years. These are not counter-terrorism programs, but they are as effective as any programs bearing that label. Moderate Islamic organizations provide social services, promote educational reform, and supply political support for parties involved in building the nation. America and its international partners should assign a high priority to sustaining these organizations through additional assistance.

Coordinate counter-terrorism donor assistance to reduce duplication and target real needs. Available evidence indicates that Indonesia’s international

partners are indeed making an effort to coordinate their activities and that an informal division of labor exists. Australia appears to be concentrating on intelligence and investigative training, with the U.S. focusing on training strike forces as well as investigators, Japan providing help on financial transactions monitoring, and the United Kingdom supplementing other nations' aid with modest training in crisis management. If this perception is accurate, it is a sensible course and ought to be maintained. If not, it should be a priority. Additionally, foreign donors must remain attuned to the jealousies and rivalries among potential aid recipients. Counter-terrorism training and equipment is highly sought after by Indonesian organizations. Coordination among foreign donors should include consideration of means to mitigate the negative consequences of the competition for aid.

Review President Bush's decision to enjoin Indonesian prosecutors' access to the Indonesian terrorist Hambali Having the opportunity to question Hambali in person—a requirement to make his information admissible in Indonesian courts—has acquired a special status in the minds of Indonesians. Indonesians ask American officials in public and in private: when can our prosecutors question him? It has become a test of American partnering in the global war on terror. The case against permitting Indonesians to question Hambali is strong. It would set a bad precedent, causing other foreign governments to demand equal access to their nationals who are detained by the U.S. The issue is balancing cooperation with Indonesia against preservation of U.S. security interests.

Put Anti-Terrorism Assistance Program field personnel on a professional track The State Department's ATA program is managed by career Diplomatic Security personnel in Washington, but operated by individual U.S. contractors in the field. Consideration should be given to integrating the contractors—generally highly qualified former U.S. military, police and intelligence officers—into the career service, or giving them an equivalent status. This would have several advantages. First, the ATA contractors develop a base of knowledge about what works in counter-terrorism training and experience in organizing and delivering the training. This knowledge and experience is lost when the

contractors leave their positions. Providing career status would allow the State Department to rotate them from one country to another as training needs require, and bring them back to Washington to manage the program. Second, as a matter of fairness, it would give ATA field personnel the same privileges in housing and family benefits (they are not now authorized to have their families accompany them) as other U.S. Government employees at diplomatic posts. Presumably, this would have a salutary effect on personnel retention. If President Bush is correct in asserting that the global war on terrorism is a long-term proposition, the United States should ensure that it has the best possible team on the front lines.

ENDNOTES

CHAPTER I: ONE NIGHT IN BALI

1. This account of the investigation of the Bali bombing is based almost entirely from a superb three-part series by Keith Moor, "Murder in Bali," *Herald Sun* (Melbourne), October 2, 2003. Portions are also drawn from Greg Barton, *Jemaah Islamiyah: Radical Islam in Indonesia*, Singapore: Singapore University Press, 2005. For a description of the plot from the terrorists' perspective, see Maria A. Ressa, *Seeds of Terror: An Eyewitness Account of al-Qaeda's Newest Center of Operations in Southeast Asia* (New York: Free Press, 2003), p. 164-189.
2. Quoted in Keith Moor, *Ibid.*
3. Moor, *Ibid.*
4. "I Don't Hate the Bombers, But I Do Feel There Must Be Something Wrong in Their Minds—Life After Bali," *The Daily Telegraph* (Sydney), October 11, 2003.
5. "Leader of the Hunt Willing To Take Risks," *The Australian*, August 8, 2003. General Pastika himself later drew the attention of the UN Serious Crimes Panel during its investigation of Indonesian abuses in East Timor in 1999. It was alleged that Police Mobile Brigade (Brimob) forces under his command were involved in shooting incidents against civilians. "Bali Officer Under War Crimes Cloud," *The Australian*, November 25, 2004. He was eventually cleared.
6. Barton, *op. cit.*, p. 9.
7. Moor, *op. cit.*
8. *Ibid.*
9. Barton, *op. cit.*, p. 10.
10. *Ibid.*
11. Moor, *op. cit.*
12. Barton, *op. cit.*, p. 12.
13. Quoted in Moor, *op. cit.*
14. *Ibid.*
15. *Ibid.*
16. *Ibid.*
17. Barton, *op. cit.*, p. 21.

CHAPTER II: JEMAAH ISLAMIYAH

18. This chapter is drawn largely from a series of reports by the Brussels-based International Crisis Group: *Al Qaeda in Southeast Asia: The Case of the "Ngruki Network" in Indonesia*, ICG Asia Briefing, August 8, 2002; *Jemaah Islamiyah in South East Asia: Damaged But Still Dangerous*, ICG Asia Report No 63, August 26, 2003; *Indonesia Backgrounder: Jihad in Central Sulawesi*, ICG Asia Report No 74, February 3, 2004; and *Recycling Militants in Indonesia: Darul Islam and the Australian Embassy Bombing*, Asia Report No 92, February 22, 2005. These reports present a picture of how the strands that make up radical Islam in Indonesia are woven together, unthreaded, and woven again. The quality of the work compelled one American policymaker to comment privately, "This is the kind of analysis that CIA ought to be doing, but isn't." See also Zachary Abuza, *Militant Islam in Southeast Asia: Crucible of Terror* (Boulder, CO: Lynne Rienner, 2003); Barton, *Jemaah Islamiyah: Radical Islamism in Indonesia*, *op. cit.*; Angel Rabasa, *Political Islam in Southeast Asia: Moderates, Radicals and Terrorists*, Adelphi Paper 358 (International Institute of Strategic Studies, 2003), Ressa, *Seeds of Terror*, *op. cit.*, and Martin van Bruinessen, "Genealogies of Islamic Radicalism in Post-Suharto Indonesia," *South East Asia Research*, 10/2, p. 117-154.

19. ICG, *Jemaah Islamiyah in Southeast Asia: Damaged But Still Dangerous*, *op. cit.*, p. 2-4.

20. *Ibid.*, p. 3-10, 16-18.

21. ICG, *Indonesia Backgrounder: Jihad in Central Sulawesi*, *op. cit.*, p. 2.

22. ICG, *Jemaah Islamiyah in South East Asia: Damaged But Still Dangerous*, *op. cit.*, p. 10-13.

23. ICG, *Indonesia Backgrounder: Jihad in Central Sulawesi*, *op. cit.*, p. 2-3.

24. *Ibid.*, p. 3. The ICG report said Mantiqi II leaders pointed to the 1996 *fatwa* issued by Usama bin Laden, reinforced by another in 1998 in the name of the World Islamic Front, that authorized a war against the U.S. and its allies. They argued that these *fatwa* were inappropriate for Indonesia and claimed that Salamat Hashim of the Moro Islamic Liberation Front in the Philippines shared this view. They were also reportedly annoyed that Mantiqi I seemed to be ignoring JI's own *fatwa* council, which was rarely convened.

25. *Ibid.*

26. Rabasa, *op. cit.*, p. 37.

27. ICG, *Jemaah Islamiyah in South East Asia: Damaged But Still Dangerous*, *op. cit.*, p. 1.

28. National Commission on Terrorist Attacks Upon the United States, *The 9/11 Commission Report: Final Report of the National Commission on Terrorist Attacks Upon the United States* (New York: W.W. Norton, 2005), p. 151.

29. *Ibid.*

30. *Ibid.*

31. *Ibid.*

32. *Ibid.*, p. 151–152.

33. ICG, *Jemaah Islamiyah in South East Asia: Damaged But Still Dangerous*, *op. cit.*, p. 1. See also p. 29–30.

34. *Ibid.*, p. 1.

CHAPTER III: THE ROOTS OF COUNTER-TERRORISM

35. Richard A. Clarke, *Against All Enemies: Inside America's War on Terror* (New York: Free Press, 2004), p. 233. Clarke, former counter-terrorism coordinator in the Clinton and Bush administrations, contended that, a year before 9/11, U.S. Ambassador to Indonesia Robert Gelbard “had publicly criticized the Indonesian government for turning a blind eye to al Qaeda infiltration and subversion.” According to Clarke, Gelbard “saw what was taking place in Indonesia: al Qaeda was targeting the largest Islamic nation in the world as its next battlefield.” But, Clarke said, in early 2001 Indonesians complained to Deputy Secretary of Defense Paul Wolfowitz, himself a former ambassador in Jakarta, “that Gelbard was making things uncomfortable, making too much noise about al Qaeda, being paranoid. Wolfowitz reportedly urged Gelbard’s removal. Bob Gelbard came home and retired from the Foreign Service.” Shortly thereafter, the Bali bombings occurred, vindicating Gelbard’s warnings. Other Bush administration officials disagree. They not only do not recall Gelbard’s prescience regarding the terrorist threat, but also note that Gelbard left Jakarta at the end of his regular three-year tour and not at the behest of Wolfowitz (Author’s interview, Washington, May 4, 2005). It should be noted, however, that many Indonesians and Americans disapproved of Gelbard’s heavy-handed approach to his diplomatic duties.

36. Joint Statement between the United States of America and the Republic of Indonesia, September 19, 2001.

37. *Ibid.*

38. Interview, Washington, May 4, 2005.

39. Joint Statement, *Ibid.*

40. Donald K. Emmerson, “Whose Eleventh? Indonesia and the United States Since September 11,” *Brown Journal of World Affairs*, 1x/1 (Spring 2002), p. 123. Before and after 9/11, but prior to the Bali bombings, Indonesian Vice President Hamzah Haz “openly backed suspected terrorists, at one point inviting the country’s Islamic extremist A-list,” including Abu Bakar Bashir, “to his house for dinner.” The *Jakarta Post* reported him saying in May 2002, “There are no terrorists here. I guarantee that. If they exist, don’t arrest any Muslim clerics, arrest me.” Ressa, *Seeds of Terror*, *op. cit.*, p. 57.

41. Jonathan Stevenson, *Counter-terrorism: Containment and Beyond*, Adelphi Paper 367, (New York: Oxford University Press, 2004), p. 58–59.

42. Angel Rabasa, *Political Islam in Southeast Asia: Moderates, Radicals and Terrorists* (Adelphi Paper 358), New York: Oxford University Press, 2003, p. 32–33. For a detailed discussion of factors restraining the Megawati administration during this period, see Zachary Abuza, *Militant Islam in Southeast Asia: Crucible of Terror* (Boulder, CO: Lynne Rienner, 2003), p. 190–194. Abuza points out, *inter alia*, that moderate Islamic organizations in Indonesia did condemn the September 11, 2001 al Qaeda attacks in the U.S., reject the *jihadists*' interpretation of Islam, and decry terrorism in all its forms.

43. Douglas Ramage, "Islam in Asia," Statement before the Subcommittee on Asia and the Pacific, Committee on International Relations, U.S. House of Representatives, July 14, 2004.

44. *Ibid.*

45. "Singapore Government Press Statement on ISA Arrests," January 11, 2002. Singapore authorities arrested 21 more JT suspects in August 2002. See "Singapore Government Press Statement on Further Arrests under the Internal Security Act," September 19, 2002. See also Republic of Singapore, Ministry of Home Affairs, *White Paper: The Jemaah Islamiyah Arrests and the Threat of Terrorism*, January 7, 2003.

46. Abuza, *op. cit.*, p. 194. See also Ressa, *Seeds of Terror*, *op. cit.*, p. 145–163.

47. Fathur Rahman al-Ghozi was in what ICG characterized as the sixth class of "Afghan alumni" which departed for Pakistan in 1988. ICG, *Jemaah Islamiyah in South East Asia: Damaged But Still Dangerous*, *op. cit.*, p. 8–9.

48. Abuza, *op. cit.*, p. 159. It is commonly thought that the Philippine National Police planted the evidence in their baggage. Abuza has also said that Agus Dwikarna is related to the Indonesian vice president at the time, Jusuf Kalla.

49. *Ibid.*, p. 160.

50. "Ghost Prisoners Haunt Terrorism Hunt," *The Times* (London), September 11, 2004.

51. *Ibid.*; "Jet Is an Open Secret in Terror War," *The Washington Post*, December 27, 2004.

52. "Confessions of an al-Qaeda Terrorist," *Time*, September 23, 2002, p. 37–41.

53. Quoted in *Time*, *op. cit.*, p. 41; Barton, *op. cit.*, p. 17.

54. Information derived from Human Rights Watch, "The United States 'Disappeared': The CIA's Long Term Ghost Detainees, Annex: Eleven Detainees in Undisclosed Locations," attributed to "Singapore Announces Arrest of 21 Men Linked to Planned Attacks against American Targets," *The New York Times*, September 17, 2003; "Threats and Responses: Interrogations, Questioning and Terror Suspects in a Dark and Surreal World," *The New York Times*, March 9, 2003.

55. Quoted in *Time*, *op. cit.*, p. 37. See also Human Rights Watch, *op. cit.*, for background on detention of Zubaydah and al-Libi.

56. *Ibid.*

57. “Cleric’s Trial Tests US Antiterror Fight,” *The Boston Globe*, March 2, 2005. Jonathan Stevenson also reports that the U.S. had signals intercepts in September 2002 indicating an impending terrorist operation against a tourist destination in Indonesia. The U.S. Embassy in Jakarta issued travel warnings on September 26 and October 10 urging Americans and other Westerners to avoid large gatherings and locations known to cater primarily to Western clientele. Stevenson, *Counter-terrorism: Containment and Beyond*, *op. cit.*, p. 122–128.

58. Emmerson, *op. cit.*, p. 123.

59. Barton, *op. cit.*, p. 19, 66.

60. “Indonesian Arrest of Muslim Cleric Raises Criticism,” *Wall Street Journal*, October 21, 2002; “VP Denies Govt Interference in the Arrest of Bashir,” *Jakarta Post*, October 22, 2002. See Ressa, *Seeds of Terror*, *op. cit.*, p. 62–63.

61. Barton, *op. cit.*, p. 59. Chief Judge Muhammad Saleh said Bashir had “been proved to commit crimes: with others he plotted to overthrow the Government; falsifying a letter; and entering and leaving Indonesia without passing immigration checks,” but not of being *amir* or conspiring to assassinate Megawati. “Bashir Jailed for Four Years—Muslim Cleric Guilty of Treason, But He’s Not a Terrorist Leader,” *The Australian*, September 3, 2003. The judges earlier threw out the charge that Bashir had masterminded the church bombings on Christmas Eve 2000. “Islamic Cleric Gets Mixed Verdict in Indonesian Trial for Terrorism,” *The New York Times*, September 3, 2003.

62. Government Regulations in Lieu of Law No. 1/2002 on the Eradication of Criminal Acts of Terrorism and No. 2/2002 on the Eradication of Criminal Acts of Terrorism in Relation to the Bomb Explosion Incident in Bali, 12 October 2002.

63. Tim Lindsey, “Indonesia’s New Anti-Terrorism Laws: Damned If You Do, Damned If You Don’t,” October 30, 2002, www.law.unimelb.edu.au/alcl/wipl/anti-terrorism.html

64. Article 281(1).

65. Angus Martyn, “The Amrozi Bali Bombing Case: Is Indonesia’s Anti-Terrorism Law Unconstitutional?” Parliament of Australia Research Note no. 14 2003–04, 3 October 2003. For a detailed discussion of the retrospectivity issue, see Ross Clarke, “Retrospectivity and the Constitutional Validity of the Bali Bombing and East Timor Trials,” *Australian Journal of Asian Law*, 2003, 5(2), p. 1–32.

66. Tim Lindsey and Simon Butt, “Independence of the Judiciary at Stake, Not the Bali Bombers’ Fate,” *Sydney Morning Herald*, July 30, 2004.

67. CTCD Briefing Paper, undated.

68. Interview, Jakarta, October 2004.

69. "Indonesian Police Form New 'Counter-Terrorist' Bomb Directorate," Detikom website, Jakarta, in Indonesian, April 28, 2003, reported by Global News Wire—Asia Africa Intelligence Wire, June 20, 2003.

70. "US Training Crack Indonesian Police Anti-Terror Squad," Agence France Presse, November 5, 2003; "U.S. Trains Indonesian Anti-Terror Squad," Associated Press, December 30, 2003.

71. "Indonesia Showcases New Police and Anti-Terror Squad," Agence France Presse, August 26, 2004; "Jakarta Police Inducts Members of Anti-Terrorism Detachment," Antara News Agency, August 26, 2004.

72. Interview, Jakarta, October 2004.

CHAPTER IV: HOW INDONESIA FIGHTS ITS WAR ON TERROR

73. Interview, Jakarta, October 2004.

74. *Ibid.*

75. *Jakarta Post*, April 6, 2004.

76. CTCB Briefing Paper, undated.

77. Interview, Jakarta, April 7, 2005.

78. Interview, Jakarta, April 7, 2005; International Crisis Group (ICG), *Indonesia: Rethinking Internal Security Strategy*, Asia Report No. 90, December 20, 2004, p. 6.

79. According to a senior military officer assigned to the Department of Defense, the Yudhoyono government is still debating which agency should spearhead the war on terrorism. The Department of Defense, he said, acknowledges that an interagency approach is required. In the view of this senior officer, Indonesia needs a national level authority to direct counter-terrorist activities, just as it has a national level counter-narcotics director. The police are the front-line force and the first responders after terrorist incidents occur, but other departments need to be involved, including Defense and Finance. In his view, a National Security Council should play the coordination role between the TNI and the police. But, this officer added, it is important to recognize that the TNI is now focused on Aceh and Papua and thus limited in what it can contribute to combating terrorism. Interview, Jakarta, October 2004.

80. U.S. Department of State, *Patterns of Global Terrorism 2003*, June 22, 2004.

81. Dow Jones News Wire, "Indonesia To Outlaw Group: Security Official," March 21, 2005.

82. Laksamana.Net, "Indonesia Denies Jemaah Islamiyah Faces Ban," March 23, 2005.

83. Paul Pillar, *Terrorism and U.S. Foreign Policy* (Washington: Brookings Institution Press, 2001), p. 110-111.

84. ICG, *Indonesia: Rethinking Internal Security Strategy*, *op. cit.*, p. 13.

85. Interview, Jakarta, October 2004.
86. Stevenson, *op. cit.*, p. 59, crediting a pre-October 2004 article by John McBeth, "In Search of Justice," *Far Eastern Economic Review* (date omitted).
87. ICG, *Indonesia: Rethinking Internal Security Strategy, op. cit.*, p. 13. Prior to the Bali bombings, Hendropriyono was rebuked by Megawati for publicly claiming that terrorist training camps existed in Sulawesi.
88. "State Intelligence Chief Hendropriyono Quits," *Jakarta Post*, October 23, 2004.
89. "The Restructuring at Intelligence Hq," *Tempo*, No. 24/V/February 15-21, 2005.
90. ICG, *Indonesia: Rethinking Internal Security Strategy, op. cit.*, p. 15.
91. *Ibid.*
92. Interview, Jakarta, October 2004.
93. Interview, Jakarta, October 2004.
94. Interview, Jakarta, October 2004.
95. "RI Removed from Money Laundering List," *Jakarta Post*, February 25, 2005. After Indonesia failed to achieve removal from the non-cooperative countries and territories list at FATF's October 2004 meeting, the Yudhoyono administration campaigned aggressively to effectuate removal from the list at the February 2005 meeting. "Indonesia Still 'Non-cooperative' on Money Laundering," *Jakarta Post*, October 23, 2004.
96. Law No. 15/2002, concerning the Crime of Money Laundering, as amended by Law No. 25/2003, and Presidential Decree 81/2003, concerning Organizational Structure and Working Procedures of the Center for Financial Transactions Reporting and Analysis, November 3, 2003, and Presidential Decree 83/2003, concerning Procedures for Implementation Powers of the Center for Financial Transactions Reporting and Analysis, November 3, 2003. See PPAJK website, www.ppatk.gov.id
97. The Coordinating Minister for Political, Legal and Security Affairs chairs the Commission. The Coordinating Minister for the Economy is Deputy Chairman. PPAJK forms its Secretariat. In addition to the Head of PPAJK, members include the Foreign, Justice and Finance Ministers, the Attorney General, the Heads of Polri and BIN, and the Governor of the Bank of Indonesia. Presidential Decree 1/2004, January 5, 2004, regarding National Coordinating Committee for the Prevention and Eradication of Money Laundering Crimes.
98. Interview, Jakarta, October 2004.
99. Interviews, Jakarta, October 2004 and April 6, 2005. Also see Zachary Abuza, *Funding Terrorism in Southeast Asia: The Financial Network of Al Qaeda and Jemaah Islamiyah*, NBR Analysis, 14/5, December 2003, p. 54-56, for discussion of the funding of the Bali bombings.
100. ICG, *op. cit.*, p. 13.

101. "Indonesia to Deploy Multi-Agency Anti-Terror Teams," *Jakarta Post*, December 21, 2004.
102. Interview, Jakarta, April 6, 2005.
103. *Ibid.*
104. *Ibid.*
105. *Ibid.*
106. Press accounts said General Da'i Bachtiar reprimanded Gories Mere and replaced him as head of the ATB after an incident in which Gories Mere was spotted having coffee at a Starbucks in central Jakarta with Ali Imron, who is serving a life sentence for his role in the Bali bombings. Gories Mere reportedly said he was seeking information concerning the whereabouts of Dr. Azahari and Noordin Top. Some observers speculated that Gories Mere was priming Ali Imron to testify against Abu Bakar Bashir. According to an Indonesian press report, General Gories Mere retained his position as Director of the National Narcotics Agency and has been assigned as head of Directorate I/Trans-national Criminal Investigations, at Police Headquarters. BBC report, October 5, 2004, citing *Media Indonesia* website, in Indonesian, October 5, 2004.
107. Interview, Jakarta, October 2004.
108. Interview, Jakarta, April 6, 2005.
109. Interview, Jakarta, October 2004.
110. *Ibid.*
111. *Ibid.*
112. Interviews, Jakarta, October 2004.
113. *Ibid.*
114. *Ibid.*
115. *Ibid.*
116. Interview, Jakarta, April 6, 2005.
117. Asian Development Bank, *Country Governance Assessment Report, Republic of Indonesia*, Manila, 2004. This ADB analysis of the Public Prosecution Service is based on an audit done for the Bank by Price Waterhouse Coopers in 2001. It is thus possible that the information is dated, but there is substantial reason to believe that the original conclusions are still valid.
118. *Ibid.*
119. Interviews, Jakarta, April 6, 2005.

120. U.S. Department of State, "Statement of Ambassador Marie T. Huhtala before the Committee on International Relations, Subcommittee on Asia and the Pacific, U.S. House of Representatives," March 10, 2005, p. 5.

121. Interview, Jakarta, October 2004.

122. *Patterns of Global Terrorism* 2003, op. cit.

123. *Ibid.*

CHAPTER V: FOREIGN ASSISTANCE

124. Interview, Jakarta, October 2004.

125. *Ibid.*

126. Interview, Jakarta, April 6, 2005.

127. *Ibid.*

128. Interview, Jakarta, October 2004.

129. Interview, Jakarta, October 2004.

130. See P.L. 102-391, Section 599H. Also see the USINDO companion monograph by John B. Haseman and Eduardo Lachica, *Towards a Stronger U.S.-Indonesia Security Relationship* (Washington: US-Indonesia Society, 2005) for an in-depth discussion of the human rights issues that caused the cutbacks in military assistance to Indonesia after 1992.

131. P.L. 107-117, Section 8125.

132. Dow Jones International News, "U.S., Indonesia Staff Meet over Anti-terror Ops," May 3, 2005.

133. Joint Statement by President Bush and President Yudhoyono, Washington, DC, May 25, 2005.

134. Interview, Jakarta, October 2004. See Haseman and Lachica, *op. cit.*, for discussion of ICITAP.

135. "CIA Joins Indon Hunt for JT Fugitives," *The New Straits Times*, November 27, 2003, quoting the *Malay Mail*.

136. U.S. Congressional Research Service, "Terrorism in Southeast Asia," CRS Report for Congress (RL31672), May 5, 2004, p. 13, citing State Department Fact Sheet, "Summary of Counter Terrorism Assistance for Indonesia," 10/03 update.

137. Nicholas Grono, "Australia's Response to Terrorism," *Studies in Intelligence*, 48/1.

138. Australia-Indonesia Joint Ministerial Statement, Jakarta, March 11, 2003.

139. Joint Statement on the Australia-Indonesia Joint Ministerial Forum and Australia-Indonesia Development Area Ministerial Meeting, *op. cit.*
140. *Ibid.*
141. Interview, Jakarta, April 4, 2005.
142. Interview, Jakarta, April 7, 2005.
143. "Coalition Promises Spy School in National Security Plan," Australian Associated Press, October 5, 2004.
144. Joint Statement on the Australia-Indonesia Ministerial Forum and Australia-Indonesia Development Area Ministerial Meeting, Canberra, March 18, 2005.
145. Minister for Foreign Affairs, Australia, "Indonesia Centre for Law Enforcement Cooperation," Media Release FA 17-5, 5 February 2004.
146. Interview, Jakarta, April 8, 2005.
147. ICG, *Indonesia: Rethinking Internal Security Strategy*, *op. cit.*, p. 21.
148. Ministry of Foreign Affairs, Japan, "Japan's International Counter-Terrorism Cooperation," January 2005. See also Ministry of Foreign Affairs, Japan, "ASEAN-Japan Joint Declaration for Cooperation in the Fight against International Terrorism," November 30, 2004, and "APEC Counter-Terrorism Capacity Building Initiative—Japan's New Assistance Package to Southeast Asia," June 2004.
149. U.S. Department of State, *Patterns of Global Terrorism 2004*, April 2005, p. 39.

CHAPTER VI: CONCLUSIONS AND RECOMMENDATIONS

150. "Terror Keeps Foreign Investors Out of Indonesia," *The Wall Street Journal*, May 31, 2005, p. A14.
151. Asian Development Bank, *Country Governance Assessment Report: Republic of Indonesia*, *op. cit.*, p. 93.
152. ICG, *Recycling Militants in Indonesia: Darul Islam and the Australian Embassy Bombing*, *op. cit.*, p. 31.
153. Freek Colombijn, "Explaining the Violent Solution in Indonesia," *Brown Journal of World Affairs*, 18/1 (Spring 2002), p. 55-56.
154. Sidney Jones, "The Changing Face of terrorism in Indonesia," *Asian Wall Street Journal*, June 8, 2005.
155. BBC, "Indonesian Defence Minister: Improved Intelligence Better Than New Terror Law," February 3, 2005, quoting Koran Tempo website, in Indonesian.

156. There are many ideas about the role of intelligence in a democratic society that might serve as a basis for drafting an Indonesian intelligence law. See, for example, Geneva Centre for the Democratic Control of Armed Forces, "Intelligence Practice and Democratic Oversight—A Practitioner's View," Occasional Paper No. 3, July 2003.

157. U.S. Department of State, "Press Conference in Indonesia," Robert Zoellick, Jakarta, May 7, 2005.

158. Council on Foreign Relations, "A New Beginning: Strategies for a More Fruitful Dialogue with the Muslim World," CRS No. 7, May 2005.

159. *Ibid.*, p. 42.

160. *Ibid.*, p. 58. Recent public opinion polling indicates that, as a consequence of U.S. tsunami relief efforts, Indonesian views of the United States are significantly improved since reaching a bottom in 2003. According to the 2005 Pew Global Attitudes Project survey, 79 percent of Indonesians say they have a more positive view of the United States as a result of American tsunami relief efforts. The survey still found 57 percent of Indonesians holding an unfavorable view of the United States, with 38 percent having a favorable view. The latter number had risen from a 15 percent favorable view in 2003. The 2005 survey also found that President Bush's low standing continues to be the leading link to anti-American sentiment. Asked what is the problem with the U.S., 43 percent of those holding an unfavorable view in the 2005 survey said "mostly Bush," while 42 percent said "Americans in general." Nonetheless, this represented a dramatic shift of opinion from the 69 percent who blamed Bush two years ago. Interestingly, having had a dose of Islamic terrorism in their own country, Indonesians now show significantly more support for the U.S.-led war on terror than two years ago. Half of the respondents in the 2005 poll expressed support for the U.S. global counter-terrorist effort, while only 23 percent had done so two years ago. This did not materially alter the prevalent Indonesian view (80 percent) that the United States could be a military threat to Indonesia. Pew Global Attitudes Project, June 23, 2005.

GLOSSARY OF TERMS

- AFP** Australian Federal Police
- AGO** Indonesian Attorney General's Office
- Al Qaeda** Arabic "the base"; loosely connected global network of *jihadist* groups headed by Usama bin Laden
- Amir** Head of Jemaah Islamiyah
- ARF** ASEAN Regional Forum
- ASEAN** Association of Southeast Asian Nations
- ASIS** Australian Secret Intelligence Service
- ASIO** Australian Security Intelligence Organization
- ATA** U.S. Anti-Terrorism Assistance Program
- ATB** Indonesian National Police Anti-Terror and Bomb Task Force
- BAIS** Badan Intelijen Strategis, Indonesian armed forces' Strategic Intelligence Agency
- BIN** Badan Intelijen Nasional, Indonesian National Intelligence Agency
- Brimob** Brigade Mobil Polri, Indonesian National Police paramilitary force.
- CRT** Detachment 88 Crisis Response Team
- CTCD** Counter-Terrorism Coordination Desk in the office of the Coordinating Minister for Political, Legal and Security Affairs
- Detachment 88** Polri counter-terrorism organization
- DI** Darul Islam
- DPR** Dewan Perwakilan Rakyat, Indonesian parliament
- DSD** Australian Defence Signals Directorate
- E-IMET** Expanded-IMET
- FATF** Financial Action Task Force of the Organization for Economic Cooperation and Development
- ICG** International Crisis Group
- ICITAP** U.S. International Criminal Investigative Training Assistance program
- IMET** U.S. International Military Education and Training program

JCLEC Jakarta Center for Law Enforcement Cooperation, located in Semarang, Indonesia

JI Jemaah Islamiyah, “Islamic community”

Jihad Arabic “to struggle”; Islamic holy war

Kopassus Kommando Pasukan Khusus, Indonesian Army Special Forces Command

Mabes Polri Indonesian National Police Headquarters

MILF Moro Islamic Liberation Front; Philippine *jihadist* organization

MMI Majelis Mujahidin Indonesia, Indonesia Mujahidin Council

PACOM United States Pacific Command

Pesantren Islamic boarding school

Polri Polisi Republik Indonesia, Indonesian National Police

PPATK Pusat Pelaporan Dan Analisis Transaksi Keuangan, Indonesian Financial Transaction and Report Analysis Center

RDCT U.S. Regional Defense Counter-Terrorism Fellowship Program

SEARCCT Southeast Asia Regional Center for Counter-Terrorism, located in Kuala Lumpur, Malaysia

TNI Tentara Nasional Indonesia, Indonesian armed forces

Unit 8 Kopassus special operations unit with counter-terrorism mission

THE AUTHOR

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