

CHAPTER 1

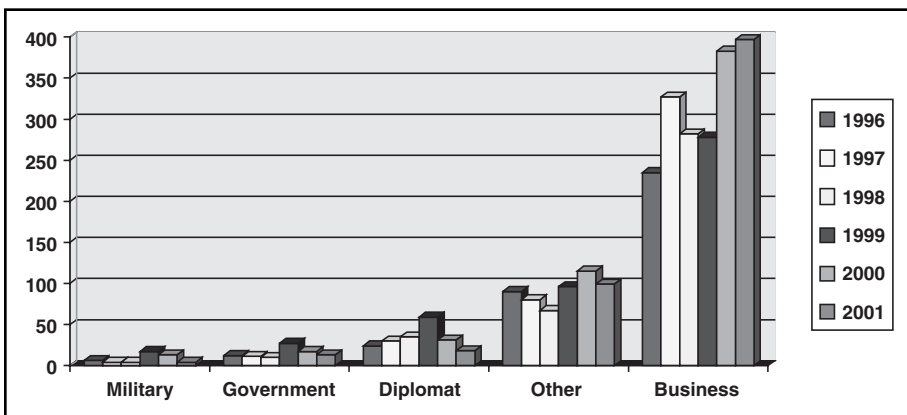
Target: Corporate America

IN THE AFTERMATH OF THE ATTACKS on the World Trade Center and the Pentagon by the Al Qaeda organization, it has become clear that Western economic interests, particularly American corporations, have become the most desirable target of terror groups seeking to further their own varied political agendas. In the past, the prime targets of terrorist groups were military bases and personnel and official U.S. government facilities. Striking at the American military was the foremost priority, especially for radical Islamic fundamentalist groups. Recall the murder of 242 Marines in Lebanon and the attacks on the Khobar Towers in Saudi Arabia and the *USS Cole*. Governmental and diplomatic facilities were also primary targets of groups like Al Qaeda, which was responsible for the car bomb attacks that destroyed the U.S. embassies in Tanzania and Kenya in Africa. To be sure, there always were the occasional terror attacks that targeted civilians. Kidnappings were frequent occurrences in many parts of the world, and hostages were taken to be used as bargaining chips or for ransom. The spate of airline hijackings in the 1970s and 1980s, the attack on the *Achille Lauro*, and the bombing of Pan Am Flight 103 over Lockerbie, Scotland, are examples of incidents specifically targeting civilians. However, in the not too distant past, the largest and most well-financed operations seemed to be reserved for attacks on official targets. This is no longer the case. Today most experts on international terror organizations agree that terrorists have changed their targeting priorities. Unquestionably, the

current targets of choice are Western, or more specifically American, economic interests.

It may seem as if this shift in targeting priorities followed the attacks of September 11, 2001. This is actually not the case; the trend had already been well documented long before the Twin Towers fell. Remember, the first attack on the World Trade Center, on February 26, 1993, was undertaken with the goal of causing one of the towers to topple over and take its twin with it. Clearly, the intent in the first attack was to cause the deaths of many thousands of civilian noncombatants. The ugly truth is that terror groups the world over have made the murder of civilians the first priority. Exhibit 1.1 clearly documents the trend over the five-year period before the attacks on September 11, 2001. In fact, this exhibit shows that attacks against military targets, traditionally thought of as the prime target for these so-called freedom fighters, actually represent the smallest target category.

Exhibit 1.1 Facilities Targeted by Terrorists 1996–2001



Source: U.S. Department of State, “Patterns of Global Terrorism 2001,” Washington, DC: Office for Counterterrorism, May 21, 2001.

In the aftermath of September 11, 2001, this trend will certainly continue and is expected to do so at an accelerated rate. Why is this so? What makes civilian economic targets so important to terror groups?

If you ask the average person to describe his or her most vivid impression of the horrors perpetrated on September 11, virtually everyone will recall and describe the image of the collapsing World Trade Center towers, the terrible scene of ordinary people leaping out of the burning towers to their deaths and the thousands of office workers and rescuers

killed. The attack on the Pentagon seems to have been largely ignored, almost forgotten. Why? Why do civilian deaths seem to shock us in a way that military casualties do not?

The very idea of terror attacks on civilian targets creates a visceral reaction in all of us. Those who died in the World Trade Center weren't soldiers or instruments of U.S. foreign policy. They were ordinary folks simply going to work to support their families. They kissed their spouses good-bye that morning never imagining that this was the last time they would ever come home to them. The media reported numerous stories of people trapped on floors above the impact of the planes phoning home on cell phones to the loved ones they knew they would not see again in this world. These images were enough to terrorize average citizens into changing jobs and moving away from crowded population centers. In the aftermath of the attacks, rentals of office space in the Empire State Building, once again the highest building in New York City, began to drop precipitously as people began to view the stately building not as prime commercial real estate but as the new prime target for the terrorists. As Vladimir Ilyich Lenin observed, "the purpose of terrorism is to terrify." Certainly attacks against innocent men, women, and children do just that.

However, other, more practical reasons better explain why economic targets are now so desirable to those seeking to destroy our way of life and diminish American influence throughout the world. One is the fact that the attacks on the World Trade Center resulted in consequences to the American and world economies that exceeded even the most optimistic expectations of Osama Bin Laden and his associates. They immediately recognized that economic targets were not only easier to hit but also that there was an unlimited supply of such targets that could be easily struck with more far-reaching effects than attacks against embassies and military bases.

Our system of government, with our constitutionally guaranteed freedom and liberty, is the enemy of radical fundamentalism. Fundamentalists loathe democracy because it is the antithesis of the repressive theocratic system they aspire to create. Radical Muslim extremists know all too well that the fanaticism they seek to promote cannot flourish within an open society where freedom of thought and expression is protected. They are also aware that the most effective way to combat the spread of Western-style democracies is to attack the foundations of economic prosperity that makes it so powerful. Damage the American economy and you damage American ability to spread its ideals throughout the world. Bin

Laden himself made this observation in a tape that surfaced shortly after the attacks.¹ World conditions and political realities guarantee that the United States and its interests, possessions, and citizens will continue to be targeted at home and abroad. Corporate targets have become more desirable as terrorists seek to use economic disruption to achieve political goals.

An examination of the practical advantages of attacking corporate targets will further illustrate the point and illustrate why civilian economic targets are so attractive. There is a distinction made between so-called hard targets, that is, well-defended military bases and well-prepared embassies, and "soft targets" with little or no security such as office building and industrial centers. Military targets:

- Are generally harder to strike because of enhanced security
- Result in military casualties
- Generally cause loss of government property
- Cause damage that is generally confined to the target itself

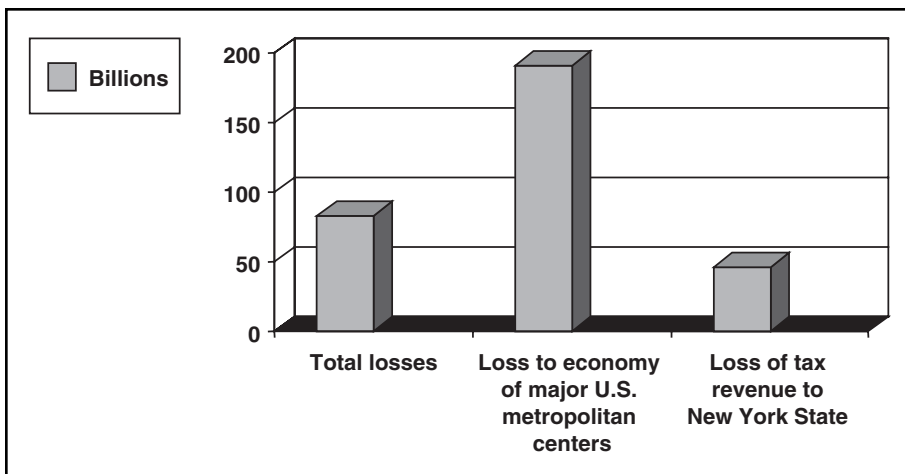
Attacks against civilian economic targets are more desirable to terror groups because economic targets:

- Are more vulnerable, easier to strike
- Result in loss of civilian life
- Cause loss of private and public property
- Create widespread damage to the fragile world economy

The September 11 attacks clearly illustrate the distinct differences between hard and soft targets as well as the effects of a successful attack on each. Two targets were selected and attacked: a hard target, the Pentagon, and a soft target, the World Trade Center. The disparity in the actual effects of those attacks is great. The destruction of the Twin Towers not only killed many more people than the attack on the Pentagon but also caused economic repercussions that were still being felt more than a year later.

Exhibit 1.2 shows some of the costs to private industry as well as the loss of tax revenue associated with these attacks. While the actual tally is still incomplete, even this partial accounting shows the enormity of the economic loss. Other data estimate in excess of \$60 billion (some estimates put this closer to closer to \$100 billion) in property damage and casualty losses alone. In addition, the attendant economic loss to the City of New York is estimated at more than \$83 billion. These staggering amounts actually surpass the annual budgets of many of the world's governments.

Exhibit 1.2 Economic Impact of Terrorist Attack on the World Trade Center,
Dated May 29, 2002



Source: GAO review of studies of the economic impact of September 11, 2001.

The insurance industry has been particularly hard hit. Recent estimates have placed the amount of insured loss at approximately \$58 billion. The enormous financial loss to insurance companies will compel underwriters to require that steps be taken to reduce the likelihood of financial loss caused by terrorism. Corporations will likely find that their insurers will exclude terror acts in their policies or require certification that antiterrorist measures have been taken. Every facility, structure, or organization that is deemed to be an attractive target for terrorist activity is being charged more for insurance coverage. For example, small neighborhood synagogues in Brooklyn, New York, have had their liability premiums raised by thousands of dollars per year simply because Jewish interests and buildings are deemed as being at risk of attack.

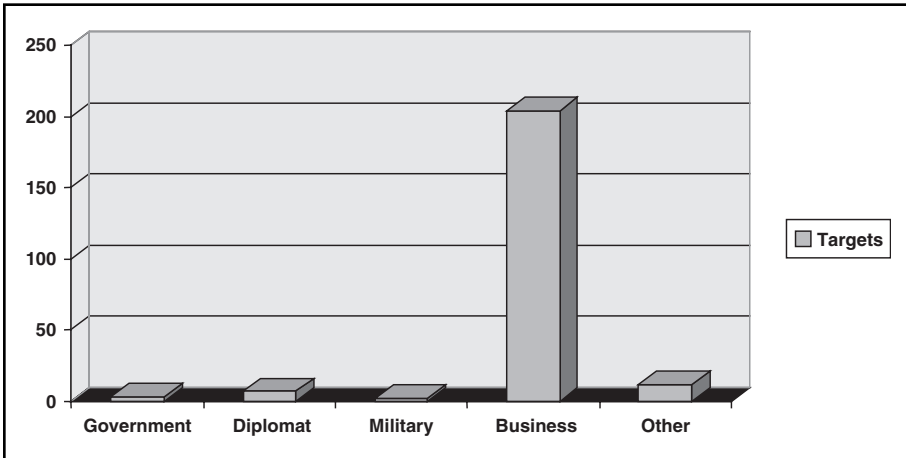
The airline industry, which seems to be constantly facing economic challenges even during relatively mild downturns in the national economy, was also dealt a severe blow by the 2001 attacks. Many people viewed the federally funded settlements given to the surviving family members of the victims of the attacks as a bailout for the airline industry. To collect the government benefit, the recipients were required to forgo their right to any other legal action to recover damages, such as suing United or American Airlines for negligence in not providing an adequate level of security.

In addition, business was disrupted in New York City, the financial capital of the world, for months. The American stock market, already reeling under the collapse of the tech stocks, was further hard hit, as were global markets. Some estimates attribute more than 40 percent of the current economic downturn to the attack on the World Trade Center. No terror attack in history had ever created the same amount of widespread damage or generated such a powerful response.

Compare these far-reaching effects to the results of the attack on the Pentagon. Certainly the damage done was far more localized. While the pain and suffering of the families who lost loved ones in the Pentagon is no less than those who lost relatives at the Trade Center, comparatively little attention has been paid to them. The nationally televised interviews always seem to focus on the surviving family members from the Twin Towers. Civilian deaths and injuries always create a stronger reaction in the general public because the death of an ordinary citizen is far easier for the average person to relate to. Terrorists have, to be sure, grasped that fact and are focusing the bulk of their assets and abilities on planning additional attacks on U.S. civilian and economic targets. In October 2002, the Federal Bureau of Investigation (FBI) issued a warning that Al Qaeda might have been specifically planning attacks on U.S. economic interests. Al Qaeda leaders, the report stated, "aim to undermine what they see as the backbone of U.S. power, the economy." The FBI said that "an attack may have been approved" and that "Our adversary is trying to portray American influence as based on economic might and therefore seeks to strike an economic target prominent enough for economic aid and symbolic reasons that it would have immediate resonance around the world."² This analysis is actually quite correct. The economic might of the United States is what allows it to remain the most influential force in the world. Our system of democracy, with all its attendant personal freedoms, would not have captured the imagination of the oppressed people of the world were it not for the prosperity and economic success it has produced.

The State Department's Office of the Coordinator for Counterterrorism has documented this trend in its "Patterns of Global Terrorism" report dated May 21, 2002. Exhibit 1.3 shows a comparison of the number of anti-U.S. attacks for the year 2001.

More attacks targeted U.S. economic interests during the year 2001 than all other attacks combined. Furthermore, the trend exactly mirrors the statistics of terrorist incidents worldwide shown in Exhibit 1.1, which showed that the overwhelming numbers of terrorist attacks were directed

Exhibit 1.3 Anti-U.S. Attacks for the Year 2001

Source: U.S. Department of State, "Patterns of Global Terrorism 2001," Washington, DC: Office for Counterterrorism, May 21, 2001.

at business facilities. The same is true for the attacks specifically directed at American interests during the year 2001. In fact, the same is true for the past 10 years. Terrorists deliberately target business interests. This trend will certainly continue as the terrorists clearly understand the financial damage that the World Trade Center attack caused. They understand, correctly, that the government of the United States is subject to pressure from its citizens. That is the nature of our representative republic. The government also is subject to the influence of the leading U.S. corporations that have an arguably disproportionate power as a result of the enormous contributions they make to political candidates. If corporate profits are endangered, terrorists reason, corporations will use their influence to persuade the U.S. government from taking actions that may result in economic harm to big business. What the terrorists always fail to grasp is the level of resolve of the American people. Americans are refugees from the type of tyrannical regimes that many of the terror groups seek to impose. Americans have an understanding of right and wrong and will not be bullied or intimidated into doing anything that is not consistent with our core values. This is why we continue the fight against terror and why American business continues to thrive in virtually every market in the world.

This is the current political reality of our time. We continue to do business in the face of threats from those opposed to our way of life. We do

this knowing that our mere presence makes us targets for the groups that seek our destruction. The only course of action open to us is to prepare ourselves to face this type of threat and counter the danger we face from well-trained and well-financed fanatical groups that are willing to kill themselves if it will cause harm to America. And, unfortunately, this is likely to be the reality for the foreseeable future. We must, therefore, appreciate this new reality and take the necessary actions to protect ourselves.

How should we begin to answer these new challenges? The first step is to understand that you are at risk and may very well be targeted for attack by terrorists or common criminals. Do not assume that you are not already in the cross-hairs of some radical organization. If you begin by honestly evaluating your risk, then you can take the precautions necessary to avoid becoming a target.

Common elements in criminal and terrorist attacks must be considered when determining a level of risk associated with a particular facility or individual. Focus needs to be paid to both the potential attacker and the potential target. Among these elements related to the potential assailants are:

- **Desire:** Individuals and organizations need to have a desire or motivation to justify their actions or receive some tangible benefit from their actions.
- **Ability:** Individuals and organizations need to recognize their ability (physical skill, knowledge, available assets) to conduct a strike.
- **Opportunity:** Individuals and organizations select their targets based on vulnerability.

Now the analysis must shift to the potential victim. Are you an attractive target? Criminals and terrorists manifest desire, acquire ability, and then look for opportunity. You may very well become a target if you meet these three elements:

1. **Suitability:** Would an attack on you further the goals of a criminal or terrorist?
2. **Vulnerability:** Are you vulnerable to attack?
3. **Probability of Success:** Is an attack on you likely to succeed?

A potential civilian target can do nothing to influence the desire and ability of terrorist groups. Concerted efforts by the military and law enforcement establishments of law-abiding nations certainly can have an impact on terrorists' ability to strike. Military action, arrest, and harassment by

directed law enforcement effort and stemming the flow of the money that finances these groups greatly interferes with their ability to operate. Even so, active and well-prepared terror cells still are ready to initiate strikes against U.S. interests. However, several factors in the equation are within the control of the potential target, and they all are tied to your particular level of vulnerability. Reduce vulnerability and you provide less of an opportunity to an attacker. Providing less opportunity dramatically reduces the probability of a terrorist group making a successful attack. Therefore, assessing and eliminating vulnerability is the most effective method of enhancing security.

What is the current situation as of today? At the time of this writing, the U.S. State Department had put out a general worldwide alert reminding all U.S. citizens abroad that they were targets and were likely to remain so. The caution stated:

This Public Announcement is being updated to alert Americans to an increased potential for anti-American violence, including terrorist actions against U.S. citizens, as a result of the military action in Iraq. The U.S. government remains deeply concerned about the security of Americans overseas. American citizens are reminded that it is more important than ever to maintain a high level of vigilance and to take appropriate steps to increase their security awareness. This Worldwide Caution supersedes that issued on February 6, 2003 and expires on July 20, 2003.

As a result of military action in Iraq, there is a potential for retaliatory actions to be taken against U.S. citizens and interests throughout the world. Public demonstrations carry the potential for precipitating violence directed at American citizens, symbols associated with the United States or other U.S. and Western interests.

The threat to U.S. citizens includes the risk of attacks by terrorist groups. Terrorist actions may include, but are not limited to, suicide operations, bombings or kidnappings. Possible threats include conventional weapons such as explosive devices or non-conventional weapons, including chemical or biological agents. Terrorists do not distinguish between official and civilian targets. These may include facilities where Americans and other foreigners congregate or visit, such as residential areas, clubs, restaurants, places of worship, schools, hotels, outdoor recreation events or resorts and beaches. U.S. citizens should increase their security awareness at such locations, avoid them, or switch to other locations where Americans in large numbers generally do not congregate.

U.S. government facilities worldwide remain at a heightened state of alert and some have drawn down their dependents and/or personnel. These facilities may temporarily close or suspend public services from time to time for security

reasons. In those instances, U.S. embassies and consulates will make every effort to provide emergency services to American citizens. Monitor the local news and maintain contact with the nearest American embassy or consulate.

As the Department continues to develop information on any potential security threats to Americans overseas, it shares credible threat information through its Consular Information Program documents, available on the Internet at <http://travel.state.gov>. In addition to information on the Internet, U.S. travelers can get up-to-date information on security conditions by calling 1-888-407-4747 in the U.S. and outside the U.S. and Canada on a regular toll line at 1-317-472-2328.

Source: <http://travel.state.gov/wvc1.html>, March 24, 2003.

Clearly, the government of the United States anticipates further acts of terror against American citizens. Virtually all of the governments of Western European nations have issued similar warnings to their own citizens. It is only a matter of time before another such attack shocks the conscience of the world. In the meantime, what can you do? As a company or an individual you must immediately prepare to face the security challenges of the post 9/11 world. You can effectively lower your risk of being attacked by increasing security measures (physical, technical, and procedural). By limiting access to your facility or home, you reduce your vulnerability to any type of attack and therefore make an attacker realize that an action against you is not likely to be successful. The less vulnerable we are, the less attractive we are to any criminal or terrorist planning an attack. The following chapters will teach readers how to be less vulnerable.

NOTES

1. According to a CNN report, Bin Laden stated that the September 11 attacks had "shaken the throne of America and hit hard the American economy at its heart and its core." Bin Laden said that if the U.S. economy suffers enough, Americans will withdraw from Islamic countries. Bin Laden observed that the attacks were easy to carry out and showed that America's economic strength has fragile underpinnings. "It collapsed very easily," he said. Source: CNN report on the Bin Laden video dated December 27, 2001.
2. This statement was released to state and local law enforcement by the FBI's National Press Office on October 9, 2002.