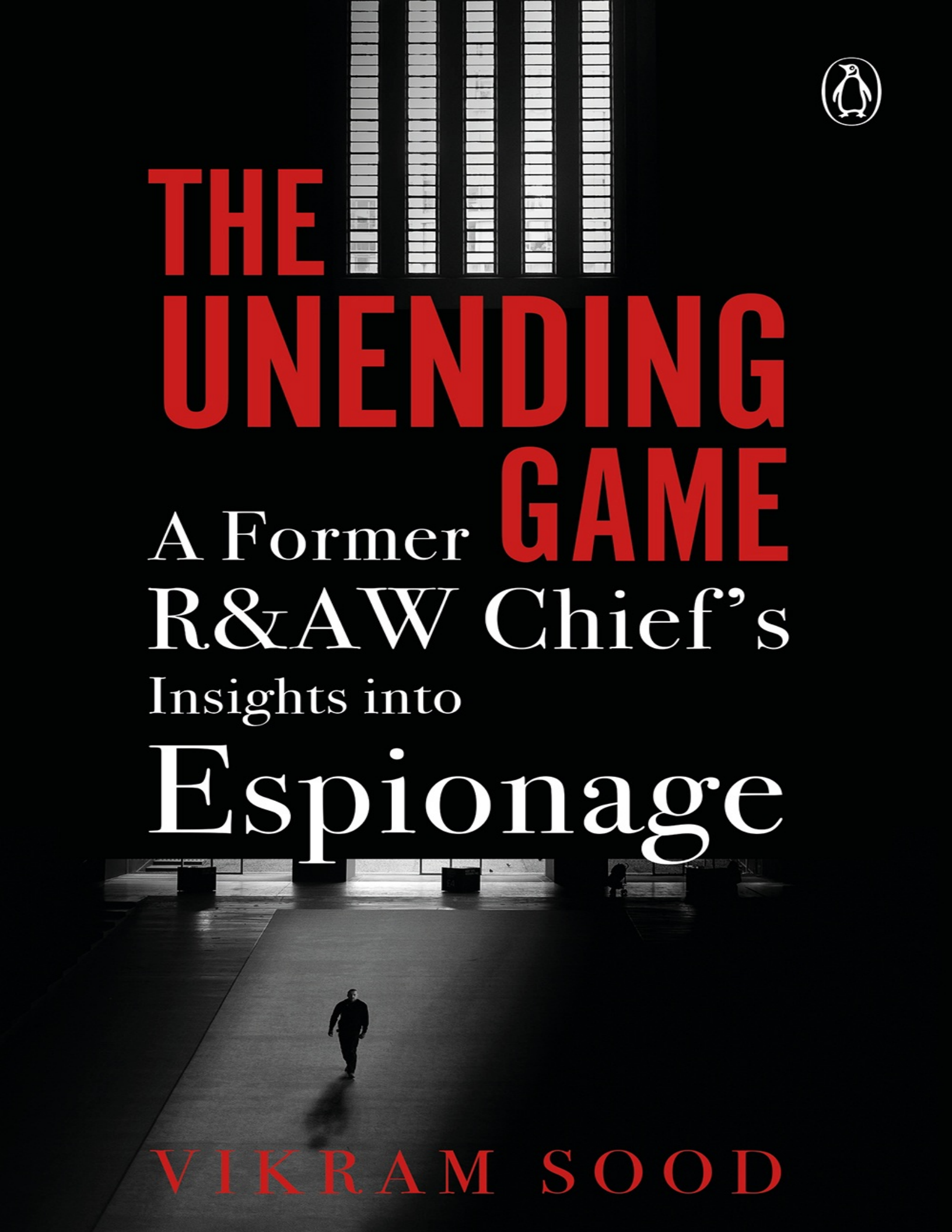
THE UNENDING GAME
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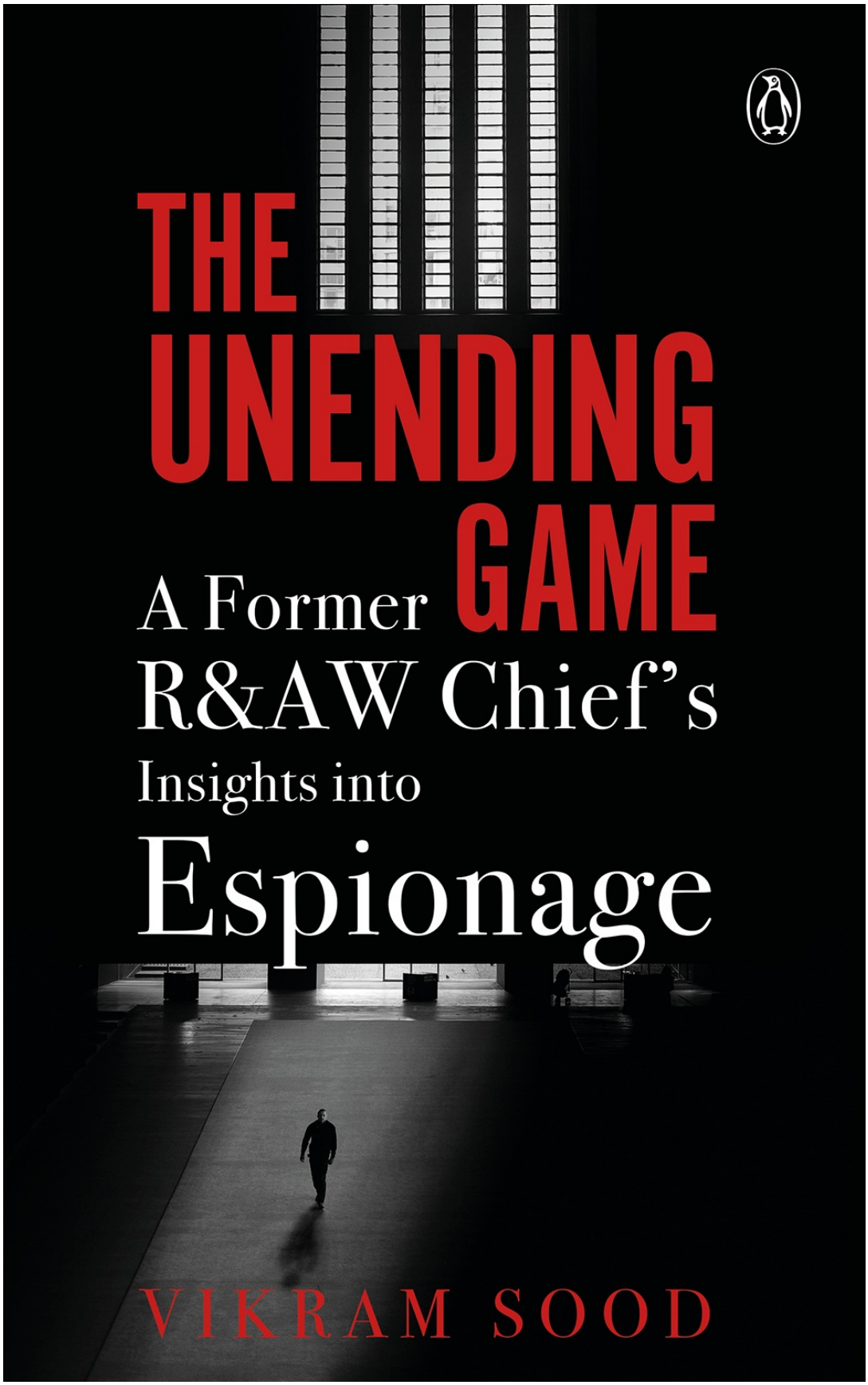
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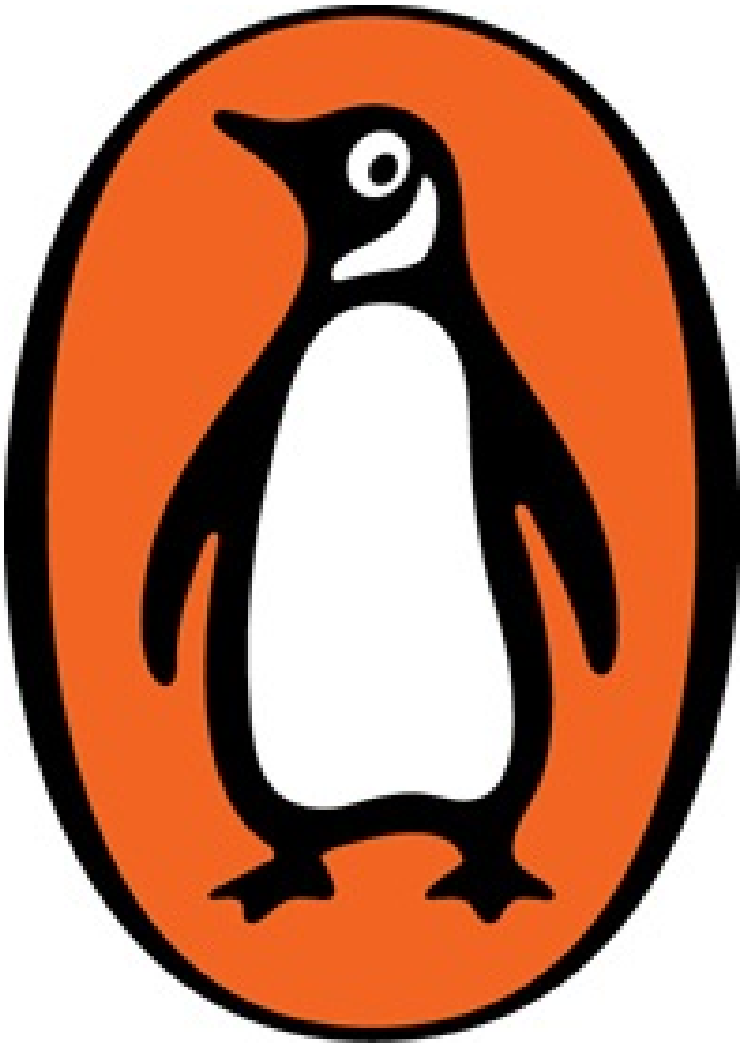

VIKRAM SOOD

THE UNENDING GAME

A Former R&AW Chief's Insights into Espionage

PENGUIN BOOKS

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To
my father, who taught me the right values,
and Gary Saxena, who moulded me

‘A king shall have his agents in the courts of the enemy,
the ally, the middle and the neutral kings to spy on
the kings as well as eighteen types of high officials’

Kautilya’s *Arthashastra*

Prologue

> ‘WAR IS HELL. SPYING IS MUCH, MUCH WORSE. WARS YOU CAN WIN. BUT IN ESPIONAGE THERE ARE NO WINNERS BECAUSE IT NEVER ENDS’ —*Intel Wars: The Secret History of the Fight against Terror* , Matthew Aid

Café du Trocadero, Paris, November 1978

‘Forget chasing the plutonium route. Uranium is the real McCoy,’ he said to the other man. The two had met for coffee that Sunday morning and then drifted away together towards Avenue Poincaré to their cars. As one of them unlocked his car, the other slipped him an envelope.

It had taken years of a furious hunt all over Europe to lay hands on any evidence of Pakistan’s pursuit of nuclearization as the agile Pakistanis moved from Germany to the Netherlands, then to Belgium, France, Switzerland and the UK, shopping for bomb-making equipment. The envelope contained a document that clearly indicated that Pakistan had obtained twenty high-frequency inverters essential for enriching uranium. The first order had been placed through a West German firm—Team Industries. Siddique Ahmed Butt of the Pakistan Embassy had contacted Ernest Piffl, the owner, in 1977 saying that the inverters were required for a textile plant. Piffl placed the order via Weargate, a front company in the UK. Weargate, in turn, placed the order with a subsidiary of Emerson Industrial Controls, a British subsidiary of the US giant Emerson Electricals. The inverters were shipped to Special Works Organization in Rawalpindi in August 1978. The supplies were clearly meant for the Pakistani Army, which was by then in charge of Project 706, initiated by the now-imprisoned Zulfiqar Ali Bhutto. Project 706 was the code name for the country’s clandestine nuclear programme.

A hunt that began six years ago was now beginning to show results. Unearthing Pakistan’s nuclear programme was one of the toughest challenges faced by the Research and Analysis Wing (R&AW) in its initial years.

Dhaka, 16 December 1971

General A.A.K. Niazi, who was commanding Pakistan’s forces in what was till then East Pakistan, surrendered to Lieutenant General J.S. Aurora. All of India

celebrated. The nation of Bangladesh came into being. It was a proud moment for the armed forces and for all those who fought that war—Bangladeshi and Indian alike. Some of the tar of India's defeat in the 1962 Sino-Indian War was washed away. Pakistan had been taught yet another lesson, soon after 1965, and it was hoped that it would settle into the changed geopolitics of the subcontinent, with its Two-Nation Theory drowned in the bloody aftermath of the Dhaka uprising.

Eternal peace was now at hand, some naively thought.

The R&AW had plenty to celebrate too, after its significant contribution to a major success so soon after its creation in 1968. But there were no victory parades, and no one would light a lamp for the unknown agents, their handlers and their supervisors who had helped in the war. Honours and quiet citations would come later, wrapped in the usual cloaks. For most, that was enough. They had stories to tell their grandchildren. Many in the organization did not even know if the R&AW was involved in the Bangladesh Liberation Struggle, such was the level of restrictive security in those early days.

For Rameshwar Nath Kao, the man who led the R&AW to this fabulous success, and his close advisers, it was business as usual. They had other worries, other peaks to conquer, other battles to win. Soon enough, every station brief of the R&AW would have Pakistan's nuclear plans as the first item of interest.

Multan, 20 January 1972

Barely five weeks after the Dhaka surrender and one month after he took over as President of Pakistan, Zulfiqar Bhutto called for a secret meeting under a grand *shamiana* in Multan. An estimated 400 people were present, including some foreigners. Originally scheduled to be held in Quetta, the venue of the meeting had to be changed because of the rebellious Baloch. Typical of the feudal showman that Bhutto was, everything had to be done in style, even when it was an occasion to ask his nuclear scientists, advisers and supporters, 'How soon can I have the Bomb?'

'Five years,' some promised. 'Too late,' Bhutto would say with a snigger. Till one eager young scientist claimed it could be done in three years. Satisfied, Bhutto took off for Libya to meet his new friend Muammar Qaddafi and cajole him for funds for the Bomb. Bhutto also visited a dozen West Asian countries, including Iran and Saudi Arabia, as well as Egypt, where he played the Islamic card. Obviously, he was preparing for a future where he would be the leader of Pakistan, which in turn would be the leader of the Muslim world, with its own nuclear bomb.

Those who were opposed to the nuclear weapon or supported it only

Those who were opposed to the nuclear weapon or supported it only reluctantly, like physicist Abdus Salam and bureaucrat Ishrat Usmani, were sidelined. Salam later had to flee to the UK because he was an Ahmadiya and Bhutto had a law passed that declared the community un-Islamic. Usmani was replaced by Munir Ahmed Khan, who would later be replaced by Abdul Qadeer Khan, Bhutto's favourite. At that stage, Bhutto seemed to be preparing for a '1000-year war' with India, even if his people had to eat grass to finance the quest for the Islamic Bomb. As India basked in its victory, Bhutto was preparing for the next round.

Bhutto had become an item of immediate and abiding intelligence interest soon after the 1971 war. His ambitions and unscrupulous political deftness were well known. Somewhat precocious and considerably arrogant, Bhutto had become Pakistan's youngest cabinet minister when barely thirty years old, as the minister of commerce in President Iskander Mirza's government in 1958, just before the Ayub Khan coup d'état. Two years later, he was made the minister for water and power, communications and industry. Bhutto aided his President in negotiating the Indus Waters Treaty in 1960 and the next year negotiated an oil exploration agreement with the Soviet Union which would provide economic and technical aid to Pakistan. Bhutto also inveigled himself into Ayub's inner coterie and became his confidant and adviser as the foreign minister in 1963.

In March that year, Bhutto signed the Sino-Pak Frontier Agreement that gifted 750 square kilometres of Pakistan-Occupied Kashmir (POK) to China. This was soon after the 1962 Sino-Indian War and it was clear that Bhutto's mind was working in a particular direction which his military bosses either did not understand or did not care about. It was Bhutto who advised Ayub to launch Operation Gibraltar against India to liberate Kashmir with the help of Pakistani irregulars, backed by the Pakistani Army. This ended in a fiasco for Pakistan but Bhutto, ever nimble-footed, ejected himself from the Ayub camp, resigned after the Tashkent Declaration of 1966, and formed his own political party, the Pakistan Peoples Party. Obviously, Bhutto was going places and would remain under the close scrutiny of intelligence agencies.

Zulfiqar Bhutto was a gifted man, even in the art of sycophancy. He could be Uriah Heep one moment and an arrogant Sindhi feudal lord the next with equal conviction, not to mention a sophisticated and persuasive conversationalist in Western salons in his pinstriped suit as he nursed a glass of Scotch. In 1961, he could be heard eulogizing Field Marshall Ayub Khan as 'more than a Lincoln . . . more than a Lenin . . . our Ataturk . . . a Salahuddin'. Four years later, he was urging Ayub to wage a war against India, and Ayub succumbed to this ruse of a facile victory. Both Bhutto and Ayub were quite happy to leave the defence of East Pakistan to China as they launched their misadventure. This signalled the

acceptance of Chinese hegemony and was a harbinger of the future. When Ayub signed the Tashkent Declaration in 1966, it was a trigger for Bhutto to quit the Ayub government and form his own party.

Bhutto would openly boast about his ambition to make Pakistan a nuclear nation. He became even more vociferous after India's first nuclear test at Pokhran in May 1974. By then, funds had started flowing in from Saudi Arabia, Libya and Iran—not necessarily for the nuclear project but they were conveniently fungible enough—so he could afford to be vocal and pretend that Pakistan's efforts were because of the Indian test. Bhutto had also approached North Korea sometime in the middle of 1971, when Pakistan was looking for delivery systems and artillery, rocket launchers and ammunition.

Bhutto initiated steps to change the direction of the Pakistan Institute of Nuclear Science and Technology (PINSTECH) away from nuclear research. As President, he pushed the institute towards nuclear deterrence starting 1972, for research and development on nuclear weapons, somewhat like the Manhattan Project of the US in the 1940s. Later, in his book *If I Am Assassinated*, written when he was imprisoned by his favourite General Zia ul-Haq, he boasted that if he had not been overthrown, he would have put the Islamic civilization at par with the Hindu, Christian and Jewish civilizations by giving it 'full nuclear capability'. He claimed, 'When I took charge of Pakistan's Atomic Energy Commission, it was no more than a signboard of an office. It was only a name. Assiduously and with granite determination, I put my entire vitality behind the task of acquiring nuclear capability for my country.'

Although Bhutto was single-minded in his pursuit of the Bomb, Pakistan had already taken steps to strengthen its nuclear research. Ishrat Usmani, appointed the chairman of the Pakistan Atomic Energy Commission (PAEC) in 1960 (the same year that Bhutto became the minister of mineral and natural resources), established many critical institutes like PINSTECH and the Karachi Nuclear Power Complex. It was Usmani's scheme that sent about 600 young scientists abroad for training, of which about a hundred returned with doctorates. Bhutto would claim credit for all this. In his book *The Myth of Independence* (published in 1969), Bhutto aired his anti-colonial views but the main theme was that Pakistan must acquire nuclear weapons to be able to stand alongside industrialized nations and nuclear-armed India.

Field Marshall Ayub Khan and his young and energetic foreign minister Bhutto had been concerned when the Chinese tested their first nuclear bomb in 1964 and had hurried off to meet the Chinese leadership in early 1965. After a meeting with Premier Zhou Enlai, Bhutto made his famous statement to the

Manchester Guardian , ‘If India builds the bomb, we will eat grass or leaves, even go hungry, but we will get one of our own. We have no other choice.’ [1]

Shimla, July 1972

It was this multi-talented Zulfiqar Ali Bhutto who came to Shimla in July 1972, in the aftermath of the war, to meet Prime Minister Indira Gandhi to cajole and plead with her to agree to release 93,000 troops held by India, hand over the territory seized by Indian troops, and thus save democracy in Pakistan by preventing a takeover by the army. He promised eternal peace in exchange. He appealed to Indira Gandhi’s magnanimity, and surely there was external pressure on her to relent. The Indian leadership bought Bhutto’s story, and what had been won on the battlefield was lost on the negotiating table.

Aware of the Pakistan prime minister’s background and somewhat wary of his plans, the R&AW knew that though one war had ended, perhaps another deadlier one was about to begin. The hunt to unearth Pakistan’s nuclear plans was underway. The intelligence boys were off scouring the globe to find out how and from where the Pakistanis were acquiring material and expertise. An allied concern was the growing interest of the Shah of Iran in acquiring nuclear capabilities. The prospect of a future Iran–Pakistan collaboration was enough to cause many an agent sleepless nights.

Bhutto went into overdrive to woo Muslim world leaders like Muammar Qaddafi and the Saudi monarchy. To assuage puritanical Islam, he even had the Ahmadiya community declared un-Islamic in Pakistan. He also began to meddle in Afghanistan. The higher echelons of the R&AW were under pressure from the Indian government to find out exactly where the Pakistanis were shopping for nuclear weapons. Even the organization’s new recruits, being trained in a makeshift facility in a south Delhi basement, found themselves initiated into the world of international nuclear espionage. This was a time when nukes were the privilege of a few countries and the information available to would-be spies was at best vague.

At the R&AW headquarters, there were stray reports, conjectures and surmises, but no tangible proof. There were the equivalent of today’s flash cards —with the names of persons suspected to be involved, places where activity was thought to be taking place and the kind of equipment that was the subject of interest. There was also no definite intelligence that the Pakistanis were following only the plutonium route, which was the initial assumption. There were many wild-goose chases, many dead ends and plenty of frustration as the pieces simply refused to add up.

Under US pressure, France had reneged on a nuclear deal signed with Bhutto

Under US pressure, France had reneged on a nuclear deal signed with Bhutto in 1976 for a nuclear reprocessing plant to produce weapons-grade plutonium. This made no difference either to Pakistan's determination or its efforts to acquire nuclear weapons technology. Similarly, exasperated, the US ambassador at the time was rumoured to have even warned Bhutto that if he persisted in his nuclear ambition, he would not stay in power for long. Elections were held in March 1977 and Bhutto was removed by Zia in July that year.

There were disagreements in Pakistan between Munir Ahmed Khan, the head of PAEC, who had put most of the nuclear infrastructure together, and the new pretender to the throne, Abdul Qadeer Khan, who was a metallurgist and not a nuclear scientist, and who would later usurp the title 'Father of the Pakistan Bomb'. The actual father was Zulfiqar Bhutto, who had pursued the Bomb with relentless zeal. The quest continued, however, even after the military had hanged Bhutto, and the chase, as a result, only got tougher and more complicated.

Europe's Nuclear Retail Market, 1975–79

Europe was the scene of Pakistan's nuclear acquisition activity in the 1970s. For some time, it was assumed that Pakistan was pursuing the plutonium route to the Bomb. In 1975, cars bearing Belgian and French diplomatic number plates would often be seen late at night outside A.Q. Khan's modest home in the suburb of Zwanenburg, close to Amsterdam's Schiphol airport. One of the visitors was surely Siddique Ahmed Butt, posted in the Pakistan Embassy by Bhutto as counsellor, science and technology. (He was the man who had impressed Bhutto in the historic Multan meeting of January 1972 by claiming a three-year deadline for acquiring the Bomb.) At the time, Khan was working with the nuclear manufacturer URENCO. His photographer colleague there, Frits Veerman, had warned the company that Khan was showing undue interest in centrifuges. The story goes that the Dutch intelligence agency wanted to arrest Khan but the Central Intelligence Agency (CIA) of the US dissuaded them as it wanted to keep a watch on his activities. Fearing arrest, Khan fled to Pakistan in December 1975. The Dutch minister for economic affairs, Ruud Lubbers, was sceptical about American intentions when he commented that the US actually wanted to help Pakistan as a counter-point against the Soviet Union. Subsequent US and Pakistani activities in the 1980s would seemingly confirm this.

From his modest apartment in Holland, Khan moved to an upmarket house on Margalla Road in Islamabad. Visitors could not fail to notice that one of the walls in the house showed a large painting of a burning train leaving India at the time of Partition. This could be conjectured as Khan's innermost feelings about

India. When Khan accepted Bhutto's offer to join the Bomb project, it was Bhutto who said exultantly, 'I will see the Hindu bastards now.' [2]

Pakistan's path to the bomb was a labyrinth that the R&AW needed to navigate, and fast, because time was running out. It had no support or sympathy from the prime minister of the day, Morarji Desai, an acerbic Gandhian who did not want to have anything to do with intelligence collection about threats to the country, much less with matters relating to nuclear weapons acquisition.

Even so, there was hectic clandestine activity but little was actually known. If the plutonium route with French assistance at the Chashma plant in Pakistan had been blocked in 1978 and the Pakistani efforts continued, then the obvious question was whether the Pakistanis were now looking at the uranium route. But they had been busy as early as 1975, and the pace to acquire components for a gas centrifuge plant in the open market gained momentum in 1976. Since international restrictions were not fully in place, it was possible to acquire some parts and auxiliary equipment, even though the device itself was a prohibited item. Thus, 6500 specially hardened steel tubes along with specialized rotors for uranium centrifuge plants could be purchased in the Netherlands.

The Dutch had, of course, committed the original sin when they allowed A.Q. Khan to steal uranium enrichment technology for centrifuges, perhaps not deliberately, but due to slack security. Khan was not a planted spy, but fortuitous circumstances had placed the right man at the right place at the right time. Free market capitalism was in action in Europe in those days as the Pakistanis shopped for vital equipment. Some German companies provided vacuum pumps and gas purification equipment along with an unknown number of specially formed aluminium parts. Three contracts were signed by a German businessman with a Karachi-based company, Arshad Amjad and Arbid Private Limited, to supply three plants. These three plants together would have formed a production unit for manufacturing the uranium hexafluoride needed for uranium enrichment.

It also seemed that France had at first barred the supply of 10,000 metal bellows whose sole use was in stabilizing gas centrifuge rotors, but then allowed a Belgian sub-contractor to supply this along with dyes so that Pakistan could manufacture the bellows themselves. The Swiss too joined in this business of nuclear retail to Pakistan. It was true capitalism in action, with the sole motive being profit, by either circumventing rules or interpreting them liberally, regardless of strategic consequences.

The Pakistanis operated smartly and were frank and straightforward in their requests, knowing the loopholes in the restrictions listed by the London Club (the informal name of the Nuclear Suppliers Group, which first met in London in 1975). Steve Weissman and Herbert Krosney, authors of *The Islamic Bomb*, are

among those who revealed much of what happened in the 1970s and beyond. Sometime in 1977, they write, three Pakistanis approached Vakuum Apparat Technik wanting to buy highly specialized valves for a centrifuge enrichment plant. The London Club's regulations restricting the sales of materials that could lead to the development of nuclear weapons had listed centrifuges in the trigger list but not the valves. So, the Swiss were happy to sell. Encouraged, the Pakistanis approached another Swiss company, CORA Engineering, in the summer of 1978 to buy 'a gasification and solidification unit to feed uranium hexafluoride gas into the centrifuges and then to transform it back into a solid at the end of the centrifuge process'. Sure enough, Berne cleared this as it was again not listed in the London Club regulations. Ultimately, the plant was flown to Pakistan in three Hercules C-130 transport aircraft.

In Britain, the Pakistanis were operating through various front companies run by Abdus Salam (not the Nobel laureate) who ran a down-in-the-dumps radio shop in Colindale, North London, called Salam Radio (later rechristened S.R. International) and another off-the-shelf company, Weargate. Peter Griffin, who would later play a stellar role in Pakistani acquisitions and had moved from Europe to Dubai, was a director in these companies. Having failed to get high-frequency inverters from Holland in 1975, the Pakistani team of Weargate got the order for thirty inverters routed through Ernest Piffl of Team Industries. They placed two more orders through the same channel, and although the mother company refused to supply, the second order through the British arrangement went through. The third order was embargoed by the British government, and strictly speaking, the British were not violating any regulation till then. They continued to supply under the arrogant assumption that the Pakistanis would not know what to do with such sophisticated equipment until they started receiving demands for modifications and enhancement.

Armed with this new knowledge from the R&AW, Morarji Desai did shoot off letters to other governments, but it is not known whether or not he had changed his opinion about the R&AW, or was writing as a Gandhian protesting against nuclearization as a matter of principle, or against assistance to Pakistan. Although the London Club did get alarmed and begin to impose restrictions against these activities, by the end of 1979, Pakistan's nuclearization had become secondary to Western strategic interests.

The other irony at the time was that when US President Jimmy Carter offered India heavy water and uranium for its nuclear reactors in 1977 in exchange for the US being able to inspect its nuclear materials, Desai declined. Later, in 1978, Desai, perhaps inadvertently but definitely indiscreetly, told General Zia ul-Haq that India was aware that Pakistan was making a nuclear bomb. Alerted, Zia

went into a rigorous security clampdown. The R&AW was up against a known adversary but also the indiscretions and opposition of their own people.

Another fortuitous break for Pakistan was the establishment of the Bank of Credit and Commerce International (BCCI) by Agha Hasan Abedi. The bank ran entirely on Abedi's personality; his phenomenal contacts among the high and mighty ranged from CIA directors Richard Helms and William Casey, the Saudi intelligence chief Kamal Adham and his deputy, former Presidents, and known international wheeler-dealers like Adnan Khashoggi, Manucher Ghorbanifar and Ghaith Pharaon. The bank was involved in various shady transactions, including ones for Pakistan's nuclear purchases.

By April 1978, Pakistan had successfully enriched a small quantity of uranium, but not weapons-grade uranium. That would mean more equipment and further experiments and would take another three years or so. This was also the time that Pakistan was getting drawn into the Soviet–Afghan War along with the US and Saudi Arabia. By 1979, Zbigniew Brzezinski, President Carter's national security advisor, would declare that the Afghan resistance (the Mujahideen) should be supplied with arms and money and that to get Pakistani cooperation the US would 'require a review of our policy toward Pakistan, more guarantees to it, more arms aid, and alas, a decision that our security policy toward Pakistan cannot be dictated by our non-proliferation policy'.

Carter's successor Ronald Reagan said, 'I just don't think it's any of our business,' when asked to comment on Pakistan's nuclear weapons programme. He would obtain a waiver on the Symington Amendment and use the ambiguously worded Pressler Amendment to continue to certify that Pakistan did not possess a nuclear bomb to get Congressional clearance for funds for the jihad. Pakistan's sins were forgiven and overlooked throughout the period of the Afghan jihad, and until the collapse of the Soviet Union in 1991.

On 25 December 1979, Soviet troops began arriving in Afghanistan by the planeload. The reaction to this was going to be the US-supported Afghan jihad. The Americans would begin to look for ways in which they could get Pakistani support against their Cold War enemy. The price was going to be non-interference in Pakistan's nuclear project. This was paid by the world—in letting A.Q. Khan get away with his international nuclear Walmart in the 1980s through the next decade, which included the acquisition of North Korean missiles for uranium enrichment technology. Western policies on non-proliferation took a beating.

Saviour at Home, Ogre Abroad

He was quite the hero at home as the 'Saviour of Pakistan'. After all, it was he, Abdul Qadeer Khan, who

had given the country the nuclear bomb and made the people safe from the enemy: India. This was more than what the large army had been able to do. A.Q. Khan loved the adulation of the 1990s; in fact, he sought it as he freely dipped into secret funds and distributed largesse among people. He built a lavish mansion for himself without any official sanction, on a lake that supplied drinking water to Rawalpindi. He is reported to have lived in opulence, and would write cheques to schools and mosques and dole out advice on virtually any subject.

He was known as the 'father' of Pakistan's bomb even though he was sidelined when the tests took place in Chagai in May 1998. The honour for this had been given to his arch-rival Munir Ahmed Khan and his team. A.Q. Khan was not only becoming too big for his boots, for which he had to be pulled down a bit, worse, he was also an alternate totem pole, much to the army's discomfiture.

Khan was not to be outdone. Greed and an enormous ego had already led him to other more profitable pastures. He had begun helping other countries make bombs while he and some others pocketed the profits. Stealing technology for making a bomb is a lesser sin but trading in its technology is surely an unpardonable crime. It is inconceivable that Khan carried out his activity as a solo mission without the involvement of those in high places; in Pakistan's case, this meant the army and the intelligence agency Inter-Services Intelligence (ISI).

By the early 1990s, there were suspicions that Iran had acquired uranium enrichment technology and this was sourced to Pakistan. North Korea and Libya were the other countries that had received some technology, also from Pakistan. Even though the game was up for Khan, he was allowed by Musharraf to disappear honourably in February 2004 with the honorific of a 'National Asset'. Evidence had mounted steadily and by 2003, the International Atomic Energy Agency had information about this. But it could not implicate Pakistan, whose assistance was required in the American hunt for Al-Qaeda. Pakistan had lucked out once again.

William Langewiesche in his book *The Atomic Bazaar* refers to an interview he had conducted with Mubashir Hasan, a former Pakistan finance minister. Hasan said he worried that Pakistan, like the US, was the sort of country that could actually use the nuclear bomb.

India was on the wrong side of the Cold War fence, and was left to fight its own battles. Those who had the means to stop this growing menace were either not interested or were unwilling or unable. This would happen even later in the

not interested or were unwilling or unable. This would happen even later in the twenty-first century, haunting the West as well.

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PART I

TRADECRAFT

3

Spy against Spy or Spy with Spy ‘IF ONE ATTEMPT IN FIFTY IS SUCCESSFUL, YOUR EFFORTS WON’T HAVE BEEN WASTED’ —Harold Adrian Russell ‘Kim’ Philby

When they surface, stories about espionage and betrayal sometimes take decades to solve, if ever. Something that might have happened three or four decades ago could remain current mostly because the story remains unresolved.

One spring night in 1962, a Russian walked into the FBI office and told them that the Soviets had a mole in their setup. The FBI launched a massive hunt for the mole over the course of three decades, hundreds of agents’ careers fell or became suspect and were investigated. All that the FBI could conclude till 2013 was that the mole might be living somewhere in Queens, New York. The CIA had also gone through a similar witch hunt led by the paranoid James Jesus Angleton, the chief of CIA counter-intelligence. The agency’s Soviet operations were paralysed and the careers of fifty loyal CIA officers were damaged or destroyed between 1961 and 1974 before Angleton was fired. [1]

1985 was a disastrous year for US and British intelligence agencies. Of their most prized sources, Oleg Gordievsky, Colonel Sergei Ivanovich Bokhan and Leonid Poleshchuk had been recalled by the Soviet bosses by August 1985. More than a dozen other sources were exposed. By autumn, the KGB swooped in on all of the CIA’s assets in the Soviet Union and ten agents were executed and many others imprisoned. The CIA set up a small, highly secret mole-hunting unit in October 1986. It was initially presumed that with the arrest of Aldrich Ames in 1994 the Soviet mole had been found. It was discovered that Ames had begun spying for the Soviets in June 1985 but the Soviets had begun action in May 1985. This meant that there must have been another mole, who had betrayed the identity of the three agents, and who remained unknown until 2015. [2]

This is the real spy world.

The Perfect Spy Zhorzh (George) Abramovich Koval was born on Christmas Day, 1913, in Sioux City, Iowa, and passed away quietly in Moscow on 31 January 2006 at the age of ninety-two. On 2 November 2007, President Putin startled the Americans when he posthumously awarded a 'Hero of Russia' medal to George Koval. The citation, as reported in the Russian press, mentioned Koval as the only Soviet intelligence officer to infiltrate the secret plants of the US's Manhattan Project, which he used to help the Soviet Union speed up the manufacture of its atomic bomb. [3]

Though there were others who were part of a spy ring to access the project, they were mostly walk-ins. Koval was a spy trained by the GRU and sent back to the US in 1940, where he enlisted as an army sergeant. As a health inspector for radiation, Koval had unhindered access to the entire polonium manufacturing facility at Oak Ridge, Tennessee. Klaus Fuchs, another Soviet spy, was working at Los Alamos, New Mexico. Between them, the different agents had access to the facility where scientists were building the atomic bomb. Koval had another lucky break when in 1945, he moved to Dayton, Ohio, where the polonium-based initiator, essential for the plutonium bomb, was going into production. Security clearances were easy and it was apparently not difficult to send reports to the Soviet Embassy in Washington. By July 1945, the bomb was ready. In August 1945, it was dropped on the Japanese cities of Hiroshima and Nagasaki.

Discharged honourably from the US Army in 1946, Koval returned to the Bronx, received an electrical engineering degree in February 1948, and a few months later, announced to his friends that he was thinking of going abroad. He obtained a US passport and in October sailed to Le Havre in France, never to return. It was an unhurried exit at a time when the FBI was hot on the trail of several Soviet spies. The Rosenbergs were picked up, Klaus Fuchs was exposed and arrested, the Cohens had to flee to Mexico, and later, Colonel Rudolf Abel was arrested and exchanged for US Air Force pilot Francis Gary Powers. Elsewhere, in Europe, a number of Soviet star spies were exposed—Kim Philby, Guy Burgess and Donald Maclean (part of the Cambridge Five spy ring), George Blake and Gordon Lonsdale among the luminaries of the espionage world that fell. But not George Koval. Was he the mysterious man Cohen had met one summer afternoon at Alexander's restaurant in Manhattan before he went off to be the GRU's star spy in Ohio? The GRU code name for Koval was DELMAR. Was he the same man the FBI called PERCY but could never find? Maybe.

It was only in 2007, at the time the Russian award to Koval was announced, that the citation mentioned that the crucial intelligence given by Agent

that the citation mentioned that the crucial intelligence given by Agent DELMAR regarding the nuclear bomb's initiator had been vital to its manufacture. There are spies, and there are spies. He who performs invaluable work assigned to him, at great risk to himself, in a hostile country and then retires gracefully to live a quiet, normal life is the perfect spy.

New Rules of the Game The war was over and the communists and the Allies had won. The differences and suspicions that were there at the start of the war had conveniently been papered over until the war was won. Stalin's communists wanted to rule the world, while Western democracies feared that godless communism would destroy Western Christian civilization. Stalinist Russia was expanding at the rate of several kilometres per day, as John Gunther would say in one of his famous 'Inside' books. Italy and France, already vulnerable, had to be prevented from succumbing to leftist pressures. The US had to protect its neighbourhood in Latin America and prevent inroads into the Middle East, but military alliances and pacts were not enough. There could be no hot war, no more soldiers dying or cities being bombed. Yet the war had to be fought clandestinely to weaken and destroy communism on all fronts—political, military, economic, and, above all, cultural and ideological.

The US's post-war priority was to retain global supremacy—political, economic, scientific and military. Until communism could be defeated, it would be an unrestrained Cold War. In essence, an unscrupulous and devious spy war, one that started even before the Second World War ended and continues until today. It will continue into the future so long as nations fight for global supremacy; the difference being that instead of just the US and Russia, the world will see China play a central role in the War of Spies.

During the Cold War, intelligence activity by the West was concentrated against the Soviet Union and the Warsaw Pact countries. In the European theatre, it meant dealing through the Baltic and Black Sea countries as Moscow was remote and difficult to reach directly. Espionage was almost like a one-day cricket match: spies were needed in the opening overs to get a head start, to provide stability in the middle overs, and to get results in the slog overs. However, there would never be any 'man of the match' trophy for them. Spies, whether paid agents or motivated by ideology or revenge, were unsung when successful, derided if exposed and best forgotten if unsuccessful.

The spy wars that the ISI and R&AW later fought were less complicated compared to this Big War, and it is important to understand how this Big War was fought to correctly understand the importance of intelligence in its entirety.

The Beginning of the CIA

The basic rule of the spy game in the post–World War era was that another war in Europe was unthinkable and all measures would be necessary to prevent it. The new war would be ideological, fought through intelligence agencies who would also handle the management of perceptions as well as proxy wars in the Third World for resources or strategic locations.

The freshly minted CIA was not sure what it was required to do. While President Harry S. Truman wanted it to function like a global news agency that kept him informed of what was going on, his successor, General Dwight Eisenhower, had a better idea, but only just. He called intelligence 'a distasteful but vital necessity'. A world power on its way to becoming a superpower would need to project its power beyond its shore and thus be able to see beyond the horizon, and predict and take suitable action to preserve or enhance its interests. Superpowers could not afford surprises and an effective intelligence service was necessary that would know the enemy and inform the government, both on strategic and tactical issues affecting the security of the nation.

The CIA was anxious to deliver in its first few years by taking on Stalin. By this logic of impatience, any group or person that was opposed to the anti-Soviet Union qualified, and many of Hitler's Nazi and SS establishments were recruited. Reinhard Gehlen, the head of Hitler's military intelligence organization, was one of them, as was Fremde Heere Ost, even though the CIA was initially reluctant to have him on its team. He was co-opted to form the Gehlen Organisation, an espionage network, in Western Germany to cover the Soviet Union for the CIA.

Covert action was thus soon to become the main activity of the CIA, instead of the slow and patient work of intelligence collection and analysis. The agency was trying to run before it could walk. Soon, results made this obvious. From ambitious and rather flamboyant stay-behind schemes in future wars to para-dropping agents into the Soviet Union, all proved disastrous. The CIA sent in hundreds of agents into the Soviet Union, Poland, Romania, Albania, Ukraine and the Baltic states from September 1949 to the early 1950s. Hundreds perished, invariably apprehended by the local counter-intelligence. The Albanian operation, for instance, displayed incredible and persistent naivety. James Jesus Angleton, the CIA man responsible for secret operations and ensuring no

penetration by double agents, would share all coordinates of the Albanian airdrops with his great friend Kim Philby, the British intelligence liaison representative in Washington, DC, and a double agent for the Soviets. [4] The pair would meet for regular lunches laced with endless rounds of whisky and gin, and Angleton would happily part with information which Philby would send on to his Soviet masters. The operation lasted for four years and 200 CIA agents perished. At the end of this, Angleton was promoted to chief of counter-intelligence and Philby went back to London.

While ill-conceived adventurism floundered, intelligence assessment in the early days was also not particularly successful. On their first mission in September 1949, flying out agents for Ukraine, the US Air Force crew detected radioactive emissions in the atmosphere over Alaska. However, CIA analysts confidently declared that the Soviet Union was still three to four years away from making a bomb. On 23 September that year, President Truman informed the world that the USSR had tested the bomb. The next year on 25 June the North Koreans invaded South Korea, and later in October the Chinese entered the war, even after the CIA's assurance to President Truman that the Chinese would not step into the conflict. It had misread all the signs on the ground. One could attribute this misreading to inexperience in a new organization that was unfamiliar with the ways of Maoist China or just over-confident after a massive victory in 1945.

What was not known to it were the deep inroads the Soviet intelligence apparatus had made into vital US defence and scientific establishments as early as 1935. Added to this were the Cambridge Five that included Kim Philby, and other deep moles in the West, some of them from the KGB and others from the East German Stasi run by the legendary Markus Wolf, and others like the Bulgarian intelligence services.

One of the KGB's early and perhaps biggest successes was that they were able to get America's atomic secrets. Undoubtedly, the Soviet Union would have got their bomb eventually but this happened so quickly that it altered perceptions in the US and made them feel suddenly vulnerable. This was one of the reasons why virulent anti-communism was able to develop a hold on American society. There were other fallouts of this intelligence disaster. The CIA got a bad name because it had told President Truman that the Soviets were a few years away from testing. The FBI had failed to detect the espionage ring. The British had sent their scientist Klaus Fuchs, who was a Soviet spy, to work at the nuclear project at Los Alamos. US, British and Canadian scientists had been working on manufacturing the nuclear bomb under the Manhattan Project. Fuchs, a German by birth, was giving vital intelligence to the Soviet Union.

Morris and Lona Cohen was an American couple that had been spying for the Soviet Union since the late 1930s. They had regularly relayed atomic bomb secrets to the Kremlin in the 1940s. The Cohens had been able to recruit an American scientist and could tell Moscow twelve days in advance that the US was about to test the bomb. While Fuchs was an important member of the Soviet spy ring run by the People's Commissariat for Internal Affairs (or NKVD [Narodnyy Komissariat Vnutrennikh Del]), the key figure was believed to be an American. Morris died in Moscow in 1995 without revealing his name, and nothing else is known about this agent except that the FBI referred to him as PERCY. What can be deduced is that the Cohens probably picked out this scientist during the Spanish Civil War and later met him at Alexander's restaurant in Manhattan and recruited him. Morris Cohen was an American-born son of Russian émigrés, and fought in the Spanish Civil war as a member of the left-wing Abraham Lincoln Brigade where he was recruited by the Soviets.

Fearing arrest, the Cohens moved to Mexico and then to New Zealand as the Krogers. A few years later, they surfaced in the UK and were back in the business of espionage while posing as dealers in rare books. They were part of the Gordon Lonsdale (Soviet intelligence officer Konon Molody) network for seven years but were arrested in 1961. Sentenced to twenty years in prison, they were exchanged for a British teacher arrested in the Soviet Union for a much smaller charge of distributing anti-communist propaganda. Even the more celebrated spy, Kim Philby, by then living in Moscow, was eager to see that the Krogers/Cohens were exchanged and underplayed their role in intelligence collection in the US. Many mysteries of this case have remained. The Russian handler of the Los Alamos ring, Anatoli Yatskov, claimed that he had ten operatives there, of whom seven were arrested and the remaining three were, at that time, living incognito in their own countries.

The CIA did have its early successes. In the mid-1940s, it was able to intercept communication traffic between the Soviet Consulate in New York and Moscow. Operation VENONA decrypts began to unravel many of the KGB spy rings in the US. Kim Philby, at that time in Washington, the linkman between the British and US intelligence services, was aware of VENONA. The KGB decided to sacrifice the less important for the more and keep the FBI happy with their discoveries. The Cohens were warned in advance. The KGB had warned Donald Maclean but the Rosenberg couple was tipped off too late, perhaps deliberately, to save the Cohens. The FBI has always denied the existence of any agent code-named PERCY, claiming this was a typical Soviet disinformation campaign. Maybe so, but the fact also is that Stalin knew of the US atomic test twelve days before it happened. No one knows the complete truth and it may

never come out.

The Fifth Cambridge Man Beirut, 12 January 1963

After graduating from Trinity College in 1933, Philby dabbled in activities of communist front organizations in Europe. He fell in love with Litzi Friedmann, a young Austro-Hungarian, and married her the next year. Although persons like Maurice Dobb, a fellow at King's College, led him to other communist front organizations, and Hugh Trevor-Roper, himself a recruit of British intelligence, found Philby to be a man of exceptional talent and intelligence, it was probably Litzi who lured Philby into the world of intelligence in 1934. Through her, Philby met Arnold Deutsch in Regent's Park, London, and the process began.

In 1937, Philby went to Spain during the Civil War and began to cover it from the Franco camp for the *Times* in London. He also provided intelligence to the British and the Soviets. Philby lost touch with his Soviet handlers for some time after the war broke out but by 1940 he was back in business. It is believed that Philby too had given the Soviets some indication that the Japanese would not be attacking the Soviet Far East, something that the German–Russian spy Richard Sorge in Tokyo had confirmed. Philby had also warned about Hitler's plans to attack the Soviet Union but Stalin ignored this, as he ignored Sorge's report.

Over a lifetime of two decades in the SIS, Kim Philby had become a highly placed Soviet mole in the British and US intelligence systems with access to the Soviet intelligence apparatus. He had repeatedly given details of Western intelligence operational assets working behind the Iron Curtain to the KGB, and they were able to liquidate nearly all of them. The time he spent at the British Embassy in Washington, DC where he associated with James Jesus Angleton, the CIA head of counter-intelligence, was one of the most productive periods for the KGB. One of his greatest scoops during the Second World War had been managing to access the SIS's documents room and the agency's file on assets in the Soviet Union. There were none, Philby reported triumphantly, but his Soviet masters refused to believe this. Their argument was that the Soviet Union was a major power, bilateral relations were adversarial and the SIS was one of the most powerful and efficient intelligence organizations in the world. It could not be that they had no sources in the USSR. Therefore, the argument was that there must be other records and/or Philby was lying. Clearly, this was a case of distrust of a sterling asset despite his past performance.

The significance of this intelligence was lost on the KGB because the information did not align with their perceptions. From Beirut, Philby represented three top-drawer newspapers—the *Times* , the *Economist* and the *Observer* —

courtesy the SIS who wished to rehabilitate their man. Once the heat was on Philby after disclosures in the 1950s, it might have been decided to set him up as a journalist in a place like Beirut and see if he revived his contacts with the KGB. This would have confirmed earlier suspicions. Yet, when he did arrive in Beirut in 1956, his colleague and friend Nicholas Elliott as the station chief never put him under surveillance. Had he done so, he would have learnt that Philby was meeting Petukhov of the Soviet Trade Mission. Whenever possible, the two would meet on a Wednesday evening at Vrej, one of Beirut's backstreet restaurants in the Armenian quarter. At their meeting in a Beirut flat in January 1963, Elliott told Philby that his past had caught up with him. The two met a few more times to talk things over—there was no conclusion drawn but strangely there was no watch on Philby after these meetings.

Philby had survived an earlier scare when two of his good friends, Guy Burgess and Donald Maclean, had fled to Moscow after revealing their identity as Soviet spies. But the 1960s were different. Philby had just received a reprieve from Parliament about his past connections, but the discovery of George Blake as another Soviet spy and the case of John Vassall, who had passed off a trove of military secrets to the KGB, had muddied the waters for him. Elliott had come to Beirut after the statements by a Soviet defector in Helsinki that there was a ring of five spies—the Cambridge Five—who had been working for the KGB since the 1930s.

Meanwhile, the defection in January 1962 of Anatoly Golitsyn, a senior KGB official in Helsinki, tossed a new element into the ring. The KGB would have guessed what Golitsyn told the Americans and the British about KGB moles. This would have spurred fresh investigation in Britain and hasty damage control in the KGB. As part of the damage control, Yuri Modin, the original handler of the Cambridge spy ring, suddenly travelled to the Middle East via Pakistan. It was at that time that Philby returned early from his vacation in Jordan and began showing increased signs of alcoholism and stress. The British hunch was that Modin had met Philby in Beirut, warned him of the dangers ahead and advised him against returning to Britain.

Elliott, a colleague and friend of Kim Philby, was sent to Beirut to assess how deeply Philby was involved with the Soviet Union. The local British intelligence representative asked Philby to visit their safehouse without telling him who the visitor was. When Kim Philby knocked at the door of the flat in Beirut on 12 January 1963 and Nicholas Elliott opened it, Philby knew the game was over. Philby seemed unsurprised as he remarked, 'I rather thought it would be you.' With his years of experience and strong intuitive sense, he knew that his old friend had come to extract a confession from him. So they both sat down for a

very civil exchange of views over tea, trying to tell the truth mixed with deception and ‘lie with the force of honest conviction. Layer upon layer, back and forth.’ [5]

Soon after this meeting with Elliott, Philby sought an emergency meeting with Petukhov at Vrej to tell him of the crisis. On the night of 23 January 1963, Philby roamed the streets of Beirut till he was sure he was not being followed, entered the port area with Russian documents, and boarded the freighter *Dolmatova* bound for Odessa.

The British, it seems, let Philby escape fearing that his return to Britain would reopen the entire issue and there was no knowing where or how it would end. They let Philby live until his lonely death in Moscow in 1988. Before he died, Philby wrote, undoubtedly with Moscow’s approval, his memoirs, titled *My Silent War* . Philip Knightley wrote the introduction for it and Graham Greene, Philby’s SIS colleague, wrote the foreword. Knightley says that Greene met Philby a few times in the 1980s with SIS knowledge, but Greene himself did not say so in his foreword.

‘The man called Richard Sorge is unknown to us’—Moscow’s reply to Tokyo The KGB and its predecessor (Cheka) and the GRU fared better on the hard intelligence scorecard. Several KGB and GRU officers masqueraded as journalists while collecting intelligence in America. During the Second World War, the Soviets had two assets with claims to being the best ever anywhere. One of them was Richard Sorge (pronounced Ree-khard Zohr-gheh) who was of German–Russian extraction (German father and Russian mother). Sorge volunteered twice to fight in the First World War; he had been wounded thrice and awarded the Iron Cross by the time of his discharge in 1917. Disillusioned by the war, Sorge became a communist and was spotted by the intelligence agency and sent off to Shanghai in 1931 as Dr Richard Sorge. Two years later, Sorge was relocated to Tokyo to watch how Japan was going to behave in the Russian Far East. Those with foresight place their agents in a country well in advance, at the first signs of a changing situation, in order to be better able to collect intelligence when it is needed most. This is what the Soviets were doing in Japan; they had not forgotten the Japan–Russia war of 1905.

Soon enough, Sorge, who was grossly underrated by none other than Stalin himself, proved himself to be the most treasured spy in the USSR's arsenal. He enrolled as a Nazi party member for the convenience of cover and access, and worked as a part-time press officer of the German Embassy. He gradually became close to the German Ambassador. As a contributor to the columns of the *Frankfurter Zeitung* in Tokyo, he had the entire German embassy under his thrall. He quickly made his reputation as a heavy drinker and womanizer who lived in a quiet residential area close to the police station—an unorthodox way of disarming police suspicion.

Stalin had contemptuously disregarded Sorge's intelligence report from Tokyo giving the date on which Hitler would attack the Soviet Union in June 1941—Sorge had said 15 June; the attack came a week later. Besides, Stalin had similar first-rate intelligence about Hitler's plans to attack the Soviet Union as early as December 1940 and subsequently in March and April 1941, but he chose to ignore all this. It was Sorge who later told Moscow that the Japanese had no plans to attack the Russian Far East and would be attacking US and British interests in Asia but not the Soviet Union. Stalin was thus able to pull out his massive formations from the Far East to battle the Nazis and finally defeat them.

Sorge had given intelligence in October 1941 that the Japanese would attack US interests that month or the next. Stalin did not share this intelligence with his British allies. Of course, there would not be any enquiry commission to question this gross error of judgement. Stalin simply purged some 300 service personnel, including some decorated officers. It was a clear case of a dictator not accepting his own intelligence and relying instead on Hitler's assurances, given in May that year. Had Stalin trusted his own reports, history might have been different. Stalin's misplaced trust in Hitler and his own survival instinct after this changed the course of events.

When Richard Sorge was arrested, just a few days after he had informed Moscow about Japan's plans against the Americans, the Soviets disowned him. He was hanged by the Japanese in 1944. Sorge was indeed one of the most formidable spies in the history of espionage. Many years later, Khrushchev rehabilitated Sorge with the award of the Hero of the Soviet Union and named a street in Moscow after him. [6]

Each country has its own way of owning or disowning its espionage assets. The Soviets disowned Sorge because his reprieve and return to Moscow would have embarrassed Stalin, who had rejected his report about Hitler's intention to attack the Soviet Union. It was a massive scoop that the Soviet leader ignored; almost losing his country the war, only to be saved by Sorge again. Sorge's permanent silence was better for the Soviet leadership; gratitude was something

that was never remotely discussed.

Johnny Walker Was a Walk-In

Fed up with his existence in the US Navy and strapped for cash, Chief Warrant Officer John Walker decided that his life had to change. The best way of ensuring this was to sell top-secret documents to the enemy, the Soviet Union. It would know the worth of the wares, pay him well, and nurture and protect him.

One day in October 1967, Walker photocopied a document that came his way and took it home. The next day, he drove his red MG 1964 sports car to the Soviet Embassy down 16th Street in Washington, DC, and walked into the imposing stone mansion. He demanded to speak to security personnel. There were no fixed ground rules—and there still aren't—on how to handle a person who walks in offering to sell top-secret documents. The KGB was naturally wary of walk-ins in America, as they could easily be traps set by a rival agency. Walker's papers looked genuine enough, though, and the information appeared far too sensitive for the Americans to use as a trap. The station chief Boris A. Solomatin took a look at the documents, assessed they were genuine because the KGB had access to similar documents from another source, and decided to take the unusual step of personally speaking to Walker. The American only wanted money and made no false speeches about ideology. The KGB veteran was impressed. An astute intelligence officer will view with suspicion self-proclaimed chest-beating ideologues pretending to part with secrets for a noble cause. A mercenary source has his drawbacks too but he rarely has second thoughts regarding conscience and ideology. Greed and ambition, common human failings, are usually the cause of his downfall.

Solomatin struck a deal with Walker, who received a down payment in cash of a few thousand dollars. After working out the mechanics for the exchange of documents and payments, the American was smuggled out of the embassy. At some stage, the Soviets trained Walker and explained the drill of filling a dead drop, signalling this had been done, and watching for confirmation that his signal had been received. Similarly, the reverse exercise was to be followed when the KGB filled the drop. A classic Cold War operation, the kind John le Carré could have written about, had begun.

Solomatin made his colleague Oleg Kalugin manager of the operation; the latter spent the next few weeks scouring the city and countryside for suitable 'dead drops'. There was only one face-to-face meeting with a KGB agent a month or so after the first meeting, when cash and a huge pile of documents

were exchanged. Thereafter, there were to be only two drops in a year and no face-to-face meetings for a decade. The KGB never became greedy about more reports at a higher frequency, as is liable to happen in this trade. The system worked beautifully and Walker supplied one million messages over nearly twenty years. This helped the Soviets get complete details of the US Atlantic Fleet, detailed schedules about B-52 bombing missions over Vietnam and a host of other valuable information. Incidentally, the KGB never shared precise details about these bombing missions for fear that their source might be exposed.

The operation began to fall apart in 1984 because Walker did not follow instructions—he expanded his network and took his wife into confidence. The KGB had warned him earlier against sharing secrets with his wife, who ultimately denounced him.

The US defence secretary at that time, Caspar Weinberger, acknowledged that Walker had given the Soviets access to information about weapons, sensor data, naval tactics, surface, submarine and airborne training, readiness and tactics. Kalugin himself described this as the most spectacular case of espionage in America. It is difficult to compare espionage cases, though. The American spy Jonathan Pollard gave about 1.2 million pages of naval documents to Israel, yet the Walker material was probably more damaging to the US because it was about cryptographic secrets and navy submarine missile forces. In another case, Aldrich Ames, the Russian spy in the CIA, gave the names of Russians spying for the US. Once Ames had identified all or most of the people, his utility diminished.

Walker on the other hand was a dynamic operation, and the information given over time helped the Soviets understand how the US navy functioned. Walker consistently supplied high-grade intelligence for about sixteen years—it is unusual for such a source to last for so long, especially during the Cold War. Ironically, one of the KGB's best sources in North America was one who came to them; they did not have to scour the American system to hunt and groom him, a long and risky process.

Spies Who Remained in the Cold

The Americans had selected Oleg Danilovich Kalugin, [7] a Russian, for a year's Fulbright scholarship in journalism at Columbia University in 1958, perhaps to show some warmth during the bleak Cold War years. Kalugin soon returned to New York as a journalist with Radio Moscow at the UN before going back to Moscow as a press officer in the Soviet Foreign Office. What

the Americans perhaps did not know was that this man was already with the KGB when he first went to Columbia University and the scholarship helped him learn about the US, all expenses paid by the Americans! His first two assignments in the US were part of an elaborate exercise to build his cover. At Columbia, he was under strict instructions to keep his espionage skills on hold and work only as a scholar.

In 1965, Kalugin arrived in Washington, DC as a deputy press attaché, though he was actually a deputy resident of the KGB. There were some forty intelligence personnel in the mission—about half the diplomatic staff in the Soviet Embassy were from the KGB and the GRU. By the mid-1970s, as Cold War paranoia peaked in both countries, Kalugin found that Moscow employed about 50,000 personnel and the KGB half a million countrywide, more than what the CIA and the FBI had together and many standing armies. [8] The KGB always believed in large numbers and it was not surprising when one fine morning in September 1971 the British expelled ninety Soviet diplomats and barred the return of another fifteen for their suspected involvement in sabotage activities. Money was never a problem with the KGB and large payments, particularly to Americans, were relatively easy. A payment of $80,000 for a prospective source at the first meeting was not unheard of. Cold War games were deadly and expensive.

Kalugin seems to have done exceptionally well in the US and he became the youngest general in KGB history in 1974, at just forty years old. This became a source of considerable heartburn and envy in the KGB and conspiracies began to hatch. The KGB high command removed Kalugin as the head of foreign counter-intelligence in the elite First Chief Directorate in 1980 and banished him to Leningrad to look after domestic intelligence. There he had a staff of 12,000 working for his unit. Later, accused of being a CIA agent, Kalugin was stripped of his rank, decorations and pension in 1990 by President Mikhail Gorbachev. Eventually, in 2001, he left Russia on a business assignment to the US and never returned. Kalugin is now a naturalized US citizen. Moscow ensured he would never go back after he was tried in absentia in 2002 for treason and sentenced to fifteen years' imprisonment.

Some aspects of Kalugin's career graph and his early acceptance as an American citizen are intriguing. Did the Americans know Kalugin was a KGB spy when they selected him for a Fulbright scholarship? For it must be borne in mind that the CIA used this scholarship to hunt for talent too. After his return from the US, Kalugin gradually became disillusioned with the KGB's tactics,

with what he saw as its lack of professionalism and sycophancy. He had misgivings about the communist regime led by Brezhnev and his successors, including former KGB chairman Andropov and Mikhail Gorbachev, who too was a prisoner of the Russian Deep State.

By all accounts, Kalugin lost heart in the 1980s and was looking for a way out of the USSR. Had the Americans put him up to this all along so that he could stage various spats with supervisors and colleagues? Or did they discover that he was a disgruntled KGB officer and approach him? Alternatively, did he volunteer without knowing what would happen? Yet again, was he a faithful Soviet/Russian spy all along and was his falling out with the authorities part of a drama to enable him to return to the US for continued espionage, using the sources and influence agents he had built during his long stay in the country? None of this may be true. Kalugin may have just been a straightforward case of a disappointed man and there may have been no deal. He was extremely critical of those Russians who became US spies and he also refused to provide any details to the CIA and the FBI. The Russians let him go and the Americans accepted him; both acting from the goodness of their hearts, it seems. But certain questions will invariably haunt a man in the business of espionage who changes nationality and location.

Mitrokhin, the Other Cold Warrior

Nothing in the spy world moves in straight lines. There are versions and there are versions of every story. So also with Vasili Nikitich Mitrokhin, whose escape to London occurred in 1992 under SIS supervision. It was handled by Richard Tomlinson, who himself was imprisoned by the British for misdemeanour in 1995. Tomlinson jumped parole in 1997, escaped to France and later published an unflattering book about his years in the SIS.

The seventy-year-old Mitrokhin showed up in Riga in March 1992 trying to sell his wares, first to the Americans and then to the British, who showed interest. Posted since 1956 in the archives department of the First Chief Directorate, Mitrokhin had surreptitiously copied out the contents of the records in his own handwriting, even taking the papers home. Every night, he would laboriously type out the records and store them in empty milk cartons, which he hid under the floor. There were 25,000 pages (compared to the 1.5 million classified files of the US National Security Agency [NSA] that Edward Snowden took away) that the SIS would help retrieve from Moscow.

Over time, the documents were translated, placed in order and analysed, and finally, Operation GUNNER of the SIS yielded two books: *The Sword and the Shield: The Mitrokhin Archive and the Secret History of the KGB* (1999) and *The World Was Going Our Way: The KGB and the Battle for the Third World* (2005). The first book appeared seven years after Mitrokhin's escape, and it took another six years for the second to be published a year after the Russian died in 2004.

There were many unexplained questions about the books and their originator. For one, the KGB seems to have kept no record of the work Mitrokhin did in its archives. It requires immense effort and tenacity to copy thousands of documents and then meticulously type them out, as Mitrokhin had done, without knowing what he would do with them. Surely some of the nuance or meaning would have been lost in the subsequent translations and if so, how much? It is also odd that Professor Christopher Andrew, a university don, was asked to author the books and not an official biographer or historian. The selection of Rupert Murdoch as the publisher, whose business was in some sort of financial trouble at that time, and the granting of exclusive rights to him was also questioned by many.

The first book named some civil servants, Labour Party members and members of Parliament, including Neil Kinnock, as working for the KGB. Intelligence agencies had been suspicious about the Labour Party in the past and even Harold Wilson had not escaped suspicion. The Mitrokhin list, as revealed in the book, had no names from the Conservative Party. No one listed was prosecuted, though, not even a civil servant accused of helping the Soviet Union's nuclear programme. Political approval to publish *The Sword and the Shield* was obtained through a sleight of hand. In 1996, during the Conservative government of John Major, Secretary of State for Foreign and Commonwealth Affairs Malcolm Rifkind approved publication of the book with the help of Professor Christopher Andrew. He accepted the argument that it would help people understand how Russian intelligence worked. Rifkind had stipulated that the names of those against whom there was not enough evidence to warrant prosecution should not be included in the book. When Tony Blair's Labour government took over in 1997, a further sleight of hand followed and the book was eventually published.

Professor Andrew was interviewed after the publication of the second Mitrokhin book, *The World Was Going Our Way*, in 2005. The British had access to the largest intelligence source ever to have escaped in history until then. The timing of the second volume was connected with the rise of Putin, a former KGB officer who had a number of former and serving KGB officers on his team, and the resurgence of a Russia that was challenging the newly adopted

paradigms in the world order.

The fact that the book's publication was justified by saying the working of Russian intelligence needed to be exposed makes the book propagandist. It named Yuri Andropov, then head of the KGB, as the man behind the decision to invade Afghanistan in 1979, and chaos has reigned since. The appointment of Vyacheslav Trubnikov, former head of the KGB, as the Russian ambassador to India in 2004 was another signal of the growing profile of the KGB and its successor agencies in Russia. In Andrew's assessment, the KGB was much better organized than the Americans and the British cared to admit. He assessed that the KGB had a major hold on ten newspaper houses and this kind of activity featured prominently on the KGB menu, hoping to win it the Cold War. Andrew was concerned that the KGB's hold on the state in Russia far exceeded the CIA's in the US. Of the Russians, Andrew said, 'They're not wicked, most of them, but they're stuck in this absolutely incurable state of denial. Every continent in the world, or at least some part of every continent, thus still bears the imprint of the Cold War rivalry between the two superpowers.' [9]

The Penkovsky Affair Colonel Oleg Penkovsky was a well-connected military officer with the GRU. The Western intelligence community in Ankara knew of him since the 1950s. He was virtually peddling intelligence wares, though none of them took him up on his offer, assuming it to be a Soviet trap. His background did not fit in with the image of a typical defector. He was married to a general's daughter, his career was upwardly mobile, he was well connected and his war record was excellent. Back in Moscow in 1960, just a few days before the captured U2 pilot Francis Gary Powers was to go on trial, Penkovsky made his next move. He had information that the U-2 was not shot down by one missile but by fourteen. He offered an envelope containing this information to two American tourists in Moscow, one of whom brushed Penkovsky off while the other took the document to the US Embassy. The Russian was offering to spy for the US. He suggested that future exchanges be through dead letter drops and not personal contact. Intrigued, suspicious yet tempted because hard intelligence was difficult to come by, the Americans decided to take up the offer. Four months after the first offer, the CIA could still not establish contact with the colonel.

Eventually, for assistance they turned to the British service, which had a business contact, Gerald Wynne, with connections with the State Committee for Science and Technology, a cover organization for the KGB and the GRU. Penkovsky was a member of this committee. The British, reeling from the after-effects of the defections of Philby, Burgess and Maclean, saw this joint operation as a wonderful opportunity to redeem themselves with the Americans. Soon, Wynne was bringing in mountains of documents that revealed Soviet war plans, nuclear missile diagrams and military manuals. The Americans and the British could not believe their luck. For the next two years, until he was arrested, Penkovsky provided invaluable intelligence, including of Soviet plans to install nuclear missiles in Cuba. Yet, neither the CIA nor the SIS could agree on what Penkovsky's motives might be.

As a measure of caution, the British decided that the operation might blow if Wynne visited Moscow too often. Instead, Penkovsky would contact the wife of a British intelligence officer, Ruari Chisholm, who had come from a previous posting in Berlin. His wife, Janet, met Penkovsky several times between October 1961 and January 1962. One of Chisholm's colleagues in the British Mission in Berlin was George Blake, a Soviet spy. British counter-intelligence had already interrogated Blake in London in April 1961 for espionage. Almost certainly, the KGB knew about Chisholm's intelligence background from Blake and the couple would have been under strict surveillance from the day they landed. The KGB watched Janet Chisholm meet Penkovsky while ostensibly out shopping or on a stroll with her three children. It would have taken the KGB very little time to identify the Soviet connection but they let the operation run until April 1963, when they arrested Penkovsky and the British businessman, Wynne.

At his trial, Penkovsky was described as a man of weak character, vain, greedy and a womanizer. It is not clear what actually happened to him. Quite possibly, he was shot by a firing squad or he committed suicide. Peter Wright, a former principal scientific officer for MI5, insisted, on the other hand, that Penkovsky was a Soviet plant who was assigned the task of convincing the Americans through the British that the Soviet Union's intercontinental missile development programmes were much less developed than they actually were.

The one possible discernible motive for Penkovsky's betrayal was that his father had been a general in the White Russian Army and he felt that this blocked his career in the Soviet Army. Those who presumed he was a deep KGB plant thought it was to lull the West into assuming the Soviets were falling behind in the missile race and there was no cause for worry. Yet the truth may have been far simpler and bureaucratic. Despite the well-known and bitter rivalry between the KGB and the GRU, both strictly abided by protocol.

Therefore, when the Penkovsky name featured in the KGB list, they were not sure if it was a GRU sting operation or an attempt at recruitment. If the KGB moved too early, it might blow a GRU operation with graver repercussions for the KGB, as Penkovsky was a protégé of Marshall Sergei Varentsov, a member of the central committee and a deputy to the Supreme Soviet. The KGB had to have a foolproof case against him. The KGB was also surprised that the British continued to use Chisholm, especially after George Blake had confessed and probably suspected a sub-plot! Penkovsky went to the firing squad in May 1963. Diplomatic immunity covered the Chisholms. Wynne got eight years in the Lubyanka prison in Moscow but was exchanged for Gordon Lonsdale in April 1964. He could not readjust to life in Britain and died of alcoholism in Majorca in 1990.

There was an inevitability about this operation, almost a death wish. The British took undue risks in their eagerness to seek rehabilitation with the Americans. Joint operations that involve human assets with another intelligence agency, however friendly, are always a problem. Usually, intelligence agencies, especially in that era, had problems cooperating with others within their own country—the CIA with the FBI, the SIS with the Secret Service, the KGB with the GRU. In India, at that time, we had only one agency and that led to different problems, usually the lack of a second choice.

George Blake, the KGB's mole in the British Embassy, had helped his masters in another major counter-espionage operation in 1953. The Anglo-American intelligence team thought they had struck gold, and actually called it Operation GOLD. Quite audaciously, a tunnel had been dug from West Berlin to the Soviet military headquarters in East Berlin, and linked with underground communication cables. The Soviets knew of this tunnel virtually from the start, and began to feed misleading and false information cleverly mixed with some true stories. They blew the operation in 1956 when they felt it had served their purpose.

The 'wilderness of mirrors' was an expression that Angleton, the CIA chief of counter-intelligence from 1954 to 1974, often used. He believed that the Soviets had created layers of duplicity and distrust and had a masterplan to manipulate the CIA. Angleton, stricken by the adverse reactions to the Penkovsky and Philby affairs, pushed the agency into extreme paranoia in the bleak 1960s. He had conjured up a detailed plan the KGB had for the West and the US, virtually bringing CIA operations against the Soviet Union to a halt. It seems the CIA directors of the time, Allen Dulles and then Richard Helms, let Angleton have his way. [10]

Angleton had been influenced, it seems, by the stories and conjecture that

KGB defector Anatoly Golitsyn offered him. Golitsyn's stories fitted into Angleton's way of thinking, confirming his suspicions about a KGB masterplan; sceptical CIA officers referred to this as Angleton's 'monster plan'. Golitsyn convinced Angleton that every Soviet defector that came to the US was part of this masterplan and soon enough pointed out as many as thirty suspects within the CIA as KGB moles. None was eventually found in the paralysed intelligence agency. [11] Perhaps this *was* the KGB's masterplan—to play on Angleton's fears and push the enemy into inactivity.

Every Agency's Nightmare He or she is there—in every intelligence agency. Some are caught, others never are. The damage a well-placed mole can wreak is often greater than any other source anywhere else. The trouble is, how does counter-intelligence spot a well-trained, sincere and hardworking mole? Especially since such a mole is twice trained—once by the agency where he is the mole and once by the agency whose mole he has become. There is no algorithm that defines when an apparently regular employee decides to betray or, as the opposition would have it, is won over. There is no DNA test to determine such a possibility. So agencies look for signs, such as changes in behaviour, sudden alterations in lifestyle, alcoholism, indebtedness, mood swings, attitudinal changes, excessive curiosity in others' work, feelings of revenge, ideological leanings or blackmail. (The last mentioned category is the most unsatisfactory situation.) Routine and periodic surveillance might throw up instances of odd behaviour or unexplained meetings. The trouble is that agencies often miss signs that seem obvious in retrospect. This is because human beings allow their biases and prejudices to form subconscious decisions about a person. There has to be an accurate starting point for any effective counter-intelligence effort to succeed. Bugging rooms and installing CCTVs can reduce leakages but information technology has its own drawbacks. Physical meetings between an agent and his handler are not necessary, and there are other avenues for a mole to function.

The British suffered famously in the early years of the Cold War when they had a bumper crop of well-placed moles in their system. The Cambridge Five

(originally four, until the fifth was unearthed) and others produced valuable intelligence for the KGB and Philby could well have ended up as head of the SIS. The Soviets too had their moles, like Dmitri Polyakov, who was the GRU head in New Delhi at one time and worked for both the CIA as Agent BOURBON and for the FBI as TOPHAT. Polyakov was recruited in New York and was operated during his posting in New Delhi when his handler would meet him on the banks of the Yamuna while he pretended to fish, or in the back alleys of Rangoon. Back in Moscow, Polyakov would ride past the US Embassy in a tram and activate a miniature burst transmitter to transmit signals.

Soviet spies like Oleg Gordievsky, Vasili Mitrokhin and Sergei Tretyakov were defectors and not moles. Aldrich Ames and Edward Lee Howard of the CIA and Robert Hanssen of the FBI were the KGB's better-known moles in the US. Earl Pitts (FBI/KGB) was arrested in 1996. He spied for the Soviets from 1987 to 1992 and earned considerable sums of money. The Ames and Hanssen betrayals and disclosures did tremendous harm to US intelligence operations and sent a number of American agents to their death. Howard was discharged early while he was under training. He left with a grudge but with a list of Soviet agents, which the CIA had inexplicably given him. It was Hanssen's tip to the KGB in 1979 that led to the arrest and execution of Polyakov in 1985.

During the damage assessment conducted by the FBI, it appeared that there might be another mole in the system. Both Ames and Hanssen were exposed by American moles in the KGB; the latter only after the collapse of the Soviet Union. The Russians are presumably still hunting for the mole who betrayed these two. The Americans too were wondering if there was a fourth mole apart from Ames, Hanssen and Howard who may still be alive and functional. Their argument was that the KGB's practice had been to extract the maximum benefit from an agent and then throw him or her to the wolves, either to safeguard a more important asset, make a political point or score points internationally. The KGB sacrificed Pitts in 1996 to protect the more vital agent, Hanssen. Further, they sacrificed Hanssen in 2001 to protect someone bigger.

Ames had first contacted the Russians on 16 April 1985, when he disclosed the names of some Russian agents in the US and Hanssen reconnected with the KGB on 1 October 1985 after a six-year silence. The two made certain disclosures but the American concern was that there were some American casualties even before these two became Russian moles. This meant that there was another mole who was disclosing names to the KGB. Until 2009, they were still trying to find him. Maybe they found him and kept quiet or he died a natural death—the perfect unknown spy. Who knows?

Relations between intelligence agencies, for training and exchange of

intelligence, have often not been talked about. In India, this topic was taboo for a number of reasons. We were overly circumspect about not upsetting the West with our relationship with the Soviets and were concerned that the Arabs would be miffed if the R&AW had contacts with Mossad. Intelligence exchanges were a reflection of inter-state relations, the comparative power equation of the partners, strategic interests in the respective regions and the priority of security interests and capacities. Thus, for the US, for instance, China and the Soviet Union were the primary interests that they saw as the main threats to their own global primacy. For India, it was Pakistan to begin with and China later, after the events of 1962. Thus, for the US, there was a convergence with India only about China. They were reluctant to discuss Pakistan.

The British–American intelligence relationship is the best example of close cooperation. Soon after the Al-Qaeda attack on New York and Washington in 2001, British intelligence informed the Americans that it would show all their records on Al-Qaeda operatives for American study. No intelligence agency does this unless there is total trust. The British had led the intelligence charge in the Second World War after which the Americans quickly moved into prime position. British intelligence, in a way, had tutored American intelligence, even though the style of operations was different. The Americans were impatient and wanted instant results, more or less; the British were patient, even plodding, but going one step at a time. When they displayed their newest anti-terror weapon, the Predator drone, to the then British intelligence chief, Sir Richard Dearlove, he remarked, 'It almost isn't sporting, is it?' [12] But he would be expected to say that, being from the classic British spying tradition—a product of Cambridge University.

There was considerable cooperation during the days of the French Resistance against the Nazis in occupied France. Even the KGB and the CIA had some links throughout the Cold War; they were supposed to be the contact points of last resort in an atmosphere of extreme suspicion in a nuclear cold war. Separately, they did their own private deals across the Glienicke Bridge at the boundary between East Germany and West Germany, where they exchanged spies picked up by the other side. The exchange of Francis Gary Powers and Colonel Rudolf Abel took place across this bridge. Steven Spielberg's remarkable film *Bridge of Spies* graphically illustrates what made such exchanges possible.

About the worst example of bilateral intelligence agency cooperation was between the ISI and the CIA in the new millennium. There was a total lack of trust, where the Pakistanis viewed the Taliban as their allies, who, when victorious, would let the Pakistanis control Afghanistan and keep the Indians out. The CIA had no leverage with their Pakistani counterparts on this issue as

the Americans pushed the Northern Alliance forward. Joint CIA–ISI operations in these conditions would invariably end up being blown; the target would escape or just not be found. The dual game continued right up to the killing of Osama bin Laden in Pakistan in May 2011 and beyond.

The India–US intelligence relationship was a reflection of bilateral political relations and, as all such arrangements, high on rhetoric but low on delivery. Despite being one of the oldest and friendliest associations, it was largely ineffective because of different strategic interests, except when it came to China. India–Britain relations were similar and a number of those India considered terrorists and insurgents operated from the US, UK and Canada. Throughout the 1990s, India had a difficult time in trying to convince the West about Pakistani activities in Jammu and Kashmir. President Clinton's White House was not focused on the region and the other countries were ambivalent. The situation began to change after the 9/11 terror attacks—not totally but noticeably and gradually. The Indian stance—that since terror had truly become international and lethal, no single country could handle it and cooperation was necessary—began to make sense.

Intelligence liaison is a double-edged weapon. Exchange of intelligence certainly helps but both sides have to have access to each other's systems. There is no guarantee that the other side will not make attempts to suborn and recruit. It is in the nature of the beast. Suborning others and raising new assets even in friendly countries which are no threat by themselves happens all the time. It is good for practice, as it were. The Soviets trampled all over the Indian scene in their heyday; the Americans did too, repeatedly. In fact, the Americans have always taken a keen interest in India's nuclear programme from its early days. They were able to listen in to on some telephone communications monitored by the NSA but could not raise a human source in the Atomic Energy Commission or the Indian Space Research Organisation. The French ran a massive spy ring in New Delhi in the 1980s that led to the resignation of P.C. Alexander, who was principal secretary to Indira Gandhi and then Rajiv Gandhi. Known as the Coomar Narain case, it took nearly twenty years to reach a conclusion but Narain himself escaped conviction as he died in 2000. [13] The Poles and East Germans were also deriving intelligence benefits from this spy ring. Among others, the British with their extensive interests in the region and as a former imperial power must have been active too but there has been no story revelatory of their activity. Either they recruited only perfect spies or Indians chose not to talk about them.

Meanwhile, it is business as usual in the spy world. The Germans and the Swiss suspect that the Chinese are using LinkedIn to recruit intelligence sources,

and the Russians are targeting Australians on defence and technology, as are the Chinese. Neither the Chinese nor the Russians are restricting espionage activities to Europe or America. The Russians have always been global and the Chinese are getting there. The Russians are assessed by the Americans to have escalated their intelligence efforts in the US after a lull in the 1990s. In the decades ahead, the principal global adversaries will be the US, China and Russia, and many of these espionage battles will be fought on neutral territories. The rest have to remain prepared for the future as no one will escape the fallout of these battles.

PART II

INSIDE INTELLIGENCE

5

State of Surveillance ‘IN GOD WE TRUST, THE REST WE MONITOR’ —Interceptor’s motto at the US NSA This is Pakistan. Give me room No. 83315 . . .

These eight words galvanized the men and women sitting at their listening consoles thousands of miles away. All were on high alert. Soon, one of them would scribble down two words: *Musharraf, Beijing* . And then the message struck home. It was Rawalpindi talking to Beijing. Monitoring stations had been alerted about Pervez Musharraf’s presence in Beijing. He had rushed there for succour as Kargil was turning into a disaster. It was expected, but not certain, that he would talk to his commanders in Pakistan. Soon enough, the R&AW had the name at the other end—General Mohammed Aziz Khan, chief of general staff, stationed in Rawalpindi. [1]

Earlier, in 1999, Pakistani forces had surprised the Indians by climbing the Kargil heights from the north, and crossing the Line of Control (LoC) to threaten India’s lifeline to Leh. The Vajpayee government was both angry and embarrassed and felt let down by the Nawaz Sharif government so soon after Vajpayee’s famous conciliatory journey to Lahore. The Indian government needed not only an early victory but also evidence of Pakistani involvement in this aggression.

The Kargil conflict had been raging for a month. There was immense pressure on the R&AW to redeem itself as the armed forces tried to recapture ground lost to the Pakistanis. The R&AW’s interception teams had been scouring the waves and watching all known numbers for clues. There had been radio silence; suspicious though this might have been in itself, but this was no proof of Pakistani complicity.

Finally, the interceptors struck gold. The conversation between Musharraf and Aziz meandered in a style typical of the former. Aziz informed Musharraf that the Indians had increased their strafing and high-altitude air strikes and interpreted this as a quick internationalization of the Kashmir issue, rather than what it was—India’s readiness to raise the bar. Both men took solace in the UN secretary general’s appeal for talks. But they were also satisfied that the Indian MI-17 helicopter brought down on the Indian side of the LoC had been smartly attributed by Pakistan to Mujahideen action.

The two generals also talked of India’s protests to Pakistani authorities about

The two generals also talked of India's protests to Pakistani authorities about the support provided by Islamabad to the infiltrators holed up in Kargil and other areas and the demand for their immediate withdrawal. The R&AW listening watch was strengthened as more information was sought to be collected.

29 May 1999

Musharraf and Aziz resumed their conversation on 29 May. Aziz informed Musharraf that he had assured Prime Minister Nawaz Sharif that the situation was under control. There was no need to panic that the situation (with regard to the Mujahideen) would get out of hand. He claimed to have told Sharif that ‘there need be no such fear, since we have them by the scruff of the neck and whenever desired, we can regulate the situation’.

This line clinched the fact of Pakistan’s involvement in Kargil with the Mujahideen as their cover.

India went public with the intercepted conversations on 11 June, on the eve of Pakistan Foreign Minister Sartaj Aziz’s visit to India. Though the disclosure served the immediate political and tactical objective of the government, it also permanently closed this channel of intelligence information. More than that, it also meant that the adversary and the rest of the world now knew that the Indians could access conversations in this particular manner, and they would take steps to close leaks.

The Kargil tapes had their moment of glory, though, as a game changer in convincing a sceptic world about Pakistan’s brinksmanship that had led to the outbreak of war. These recorded conversations were similar to what Boutros Boutros-Ghali, the outgoing UN secretary general, feared and cautioned his successor Kofi Annan against in 1996. [2] He had said, ‘Beware, your office is bugged, your residence is bugged, and it is a tradition that the member states who have the technical capability will do it without any hesitation.’

The Brotherhood of Intelligence The Five Eyes, conceptualized as a close-knit brotherhood of spies, belong to the real world of intelligence. They epitomize George Orwell’s prescient warning in *1984* : ‘Big Brother is watching you’. The Five Eyes is a Cold War construct between five predominantly white, Anglo-Saxon and Protestant countries—Australia, Canada, New Zealand, the UK and the US. This grouping, designed through a detailed agreement about intelligence-sharing between the countries, was formalized in a top-secret ‘eyes only’ treaty in March 1946. The treaty was so secret that the Australian prime minister got to know of its existence in 1973,

other details were disclosed in 2005 and the full text of the agreement became public in 2010. Later, other countries, known as ‘third parties’ (members of the North Atlantic Treaty Organization [NATO] and other Western allies) were allowed to join in, but had limited access and were not exempt from being watched by the other five. Third parties could share intelligence in exchange for cash and technology.

The Five Eyes had ten intelligence agencies between them in the first tier of cooperation. The original targets were the Soviet Union, the People’s Republic of China and the East European countries. Joint cooperation covered signals intelligence (SIGINT), military intelligence and HUMINT. Each country was assigned specific target regions. Australia monitored South Asia and East Asia; Canada focused on the USSR and later also China and Latin America; New Zealand covered South East Asia and the Pacific; the UK targeted Europe, Russia, the Middle East and Hong Kong; and the US concentrated on the Middle East, the USSR and China, apart from the Caribbean and Africa.

Intelligence agencies of the five countries soon bent the rules to suit their requirements and evade restrictions. They thus began to spy on each other’s citizens and share the collected information. For instance, the FBI and MI5 spied on Charlie Chaplin and John Lennon, while the British Government Communications Headquarters and the US NSA kept a watch on Jane Fonda, Israeli Prime Minister Ehud Olmert and Defence Minister Ehud Barak. The CIA and MI6 watched Nelson Mandela, while German Chancellor Angela Merkel was under surveillance by various agencies. Strom Thurmond, the US presidential candidate in the 1948 elections, was followed by various agencies, which means that Donald Trump was not the first US presidential candidate to be put under surveillance.

Evasion of restrictions comes comfortably in some systems. When it became difficult to interrogate Al-Qaeda suspects post 9/11, the Americans thought of ‘extraordinary renditions’. Critics of this system of airfreighting suspects described them as ‘torture taxis’. Unmarked CIA flights would pick up terror suspects and fly them to countries where observance of human rights was not a necessity. These countries would then oblige by resorting to ‘enhanced interrogation techniques’, a euphemism for torture.

The Five Eyes, perhaps the most enduring and exclusive alliance of the Cold War, is now beginning to fray at the edges. The controversy over whether or not the Russians had intervened on Trump’s behalf during the 2016 US presidential elections is not going away in a hurry. The controversy is around various factors: Trump’s alleged dependence on the Russians for various reasons; how British

intelligence first stumbled upon this in 2015 and, finally, the intelligence arrangement between the British and the Americans that led to surveillance on Trump. It appears there will be prolonged investigations into all these aspects. This will inevitably strain relations between the White House and its intelligence agencies. It will also hurt the Five Eyes alliance.

Though the original Cold War rationale of watching the Soviet Union and its allies and China may no longer exist, other issues of the twenty-first century still need close cooperation. Russia is still a major European concern. Islamic terrorism and its spread westwards is a matter of importance on both sides of the Atlantic. Other areas of concern are the growing profile and assertiveness of the Chinese and the challenges of cyber security and data management. It is conceivable that these and several other issues would have been discussed at the April 2017 conference of the Five Eyes intelligence chiefs in New Zealand.

Operation ECHELON was born in the 1970s, once the systems of the Five Eyes had been connected and a computer software package developed with the focal point at the NSA headquarters at Fort Meade in the US. Worldwide SIGINT operations among the partners were unified. They could submit their demand lists to each other's listening posts and take from the bowl what they wanted to. By the 1980s, seventeen INTELSATs in geostationary orbit around the globe were providing telephone, fax, email and other communications to over 200 countries and entities. ECHELON could pick up what it chose to and it was a happy and productive arrangement until a storm broke out in 1988.

The first disclosure about surveillance by ECHELON came when Margaret Newsham, a Lockheed employee, told a member of the US Congress that the telephone calls of Republican Senator Strom Thurmond were being collected by the NSA. Congressional investigators naturally concluded that this was no accident. Similar disclosures followed in the UK, New Zealand and Australia, until former CIA director James Woolsey confirmed in 2000 that the US was conducting intelligence interception to cover European businesses. The Europeans were naturally not amused.

Snowden and PRISM

More was to follow but the world came to know of this only in 2013 after Edward Snowden, a Booz Allen Hamilton contractor with the NSA, blew the whistle on the US's mass surveillance programmes. On a visit to Hong Kong, Snowden gave this information to the *Washington Post* and the *Guardian* newspapers. Code-named PRISM, this massive, no-holds-barred global surveillance had been authorized by US President George W. Bush in 2007. PRISM was a replacement of the much criticized and heavily intrusive Total Information Awareness programme launched by the Bush administration to battle terrorism. A spate of other disclosures and denials followed.

Snowden had begun his career with the CIA in 2006 and was considered some kind of a computer genius. He was given a diplomatic assignment in Geneva and then specially assigned to assist President Obama at the 2008 NATO summit in Romania. Snowden resigned from the CIA the following year to take up an assignment with Dell and did assignments with the NSA and the CIA while employed there. Snowden quit his job with Dell in March 2013 on grounds of conscience. He then joined Booz Allen Hamilton as an NSA contractor and was assigned to the NSA facility in Hawaii. He had volunteered to take a pay cut with Booz Allen and he claimed that he did this to be able to gather data about NSA's global surveillance activity and share it. Booz Allen had hired him even though some aspects of his background, notably his education record, could not be verified.

Soon enough, Snowden collected the data he was looking for and fled to Hong Kong in May 2013. He had material about the PRISM programme of the NSA with its total global surveillance and the Five Eyes alliance between the US, UK, Canada, Australia and New Zealand about the sharing of electronic surveillance intelligence under Project ECHELON. PRISM was a massive upgrade of this and swept in everything everywhere about everyone. This programme relied on cooperation from European governments and US telecommunication companies. It was designed to serve the US Global War on Terror and meant to make the West safe by putting the entire region under a giant electronic dome.

Snowden has been variously described as a whistle-blower, hero, patriot and traitor, depending on which side one is on. His disclosures were mind-blowing for most Americans, and included information on how the NSA had been accessing the central servers of nine leading US companies (Microsoft, Yahoo, Google, Facebook, PalTalk, AOL, Skype, YouTube and Apple), extracting audio and video chats, photographs, emails, documents and connection logs that

enabled analysts to track foreign targets. Similarly, Britain's Government Communications Headquarters (GCHQ) had also been secretly gathering intelligence from the same Internet companies, covering the entire globe, including their own countries.

The agencies themselves have been considerably damaged by these disclosures and describe Snowden as an agent of the Russians. Snowden himself asserts that he went public as he was appalled at what was happening to America and Americans because of an intrusive breach of their constitutional right to privacy. Snowden's critics in the security establishment assert that Sowden is a defector—an intelligence officer who takes up residence in the country whose spies are not friends. As with all intelligence agencies there has to be a quid pro quo for this residence, which is usually full cooperation and a tell-all story. Oleg Kalugin, the former head of KGB's First Chief Directorate who recruited spies in America and later became a vocal critic of the Soviet system before taking residence in the US, also reportedly said that Snowden must have been collaborating with the Federal Security Service (FSB), the domestic arm of the old KGB.

As would have been expected, several corporate executives in the leaked documents denied that they had any knowledge of the PRISM programme and that any information had been made available to the government. Many world leaders were angered when they learnt that they too had been watched by PRISM. Among them was German Chancellor Angela Merkel who learnt in October 2013 that her cellphone had been monitored. The British were understandably evasive about being partners in the operation. Brazilian President Dilma Rousseff cancelled a visit to the US when it did not apologize for tapping her phone. Later, the Francois Hollande government in France was mortified to learn that the NSA had collected 70.3 million pieces of French telephone data in one month.

The Indian reaction was rather naive. After quickly rejecting Snowden's request for asylum, Foreign Minister Salman Khurshid pronounced that PRISM was only a 'computer analysis of patterns of calls and emails that are being sent' and not scrutiny. He added that this was 'not actually snooping specifically on content of anybody's message or conversation. Some of the information they got out of their scrutiny, they were able to use it to prevent serious terrorist attacks in several countries.' He did not comment on the fact that India was the fifth most scrutinized country in this programme. All states spy, but all states are also expected to show annoyance when spied upon! Khurshid's own ministry was more to the point when it commented that violations of privacy were 'unacceptable'. [3] It is far more realistic to accept that US intelligence and other

agencies would be closely monitoring India given the fact that they twice missed India's nuclear tests and that the state of India's relations with both its major neighbours remained less than satisfactory.

Each country assesses its own security requirements and takes protective measures to the extent it can. However, the American tendency to overkill in perpetuity is something that should worry all nations, especially because even with this overwhelming coverage, the US cannot say it has made itself any safer and now has enhanced security. Pro forma protests are necessary but it is far better to run a tightly controlled system ourselves.

Surveillance Regimes

It should not be surprising that intelligence agencies have watched and intercepted the communications of friends and allies and that the NSA and the GCHQ have listened to enemies, European allies and neutral countries. SIGINT became important during the First World War, when messages sent by telegraph and Morse Code replaced the written word sent by courier. Interception and decryption followed. Systems of interception accompanied newer systems of communication. In the period preceding the Iraq War, eavesdropping on the six undecided non-permanent members of the United Nations Security Council (UNSC)—Angola, Cameroon, Chile, Mexico, Guinea and Pakistan—revealed that inducements did the trick to secure their vote for the US proposal. Ethics of intelligence collection are different where self-interest and goals are more sharply defined. Strict adherence to human rights and ensuring national security can quite often appear contradictory.

While the US surveillance regime is well known and the most widely talked about, other countries too have strong surveillance programmes, such as the former Soviet Union (now Russia) and China, which have more stringent laws. It remains very much a global phenomenon, like the rest of espionage. Iran, Russia and China use what is called deep packet inspection (DPI) technology, one of the most advanced and intrusive technologies for filtering particular services or contents. DPI allows the state to peer into all Internet traffic and read, copy or modify emails and web pages.

The Russians and the Chinese are expected to have stringent laws about privacy and expansive ones about surveillance or their definitions of dissent. That is expected of dictatorial regimes—they would not be dictatorial if they did not have a narrow definition of privacy, dissent and criticism. It is only

not have a narrow definition of privacy, dissent and criticism. It is only surprising when a country like the US, with its much-advertised support for various freedoms, uses its extensive powers for full spectrum surveillance.

After the collapse of the Soviet Union in 1991, the powerful and omnipresent KGB was divided into several agencies. The internal agency was named FSB, the external agency was SVR, FAPSI was the communication and information service (which also included the cryptography department, one of the KGB's strongest arms), GUSP was in charge of special programmes, and FPS was the federal border service. Visitors to the 2014 Sochi Winter Olympics were warned by the Americans about the System of Operative-Investigative Measures (SORM) that the Russians used for the interception of all electronic chatter. SORM was developed by the KGB in the 1980s and has three sections: SORM-1 for telephone and mobile communications, SORM-2 for intercepting Internet traffic and SORM-3 for collecting all kinds of communication, long-term storage of all information and data on subscribers, including recordings and locations.

China has been using DPI technology for its Great Firewall Project. Ironically, the technology is being sold in Russia through Canada's Sandvine, Israel's Allot, America's Cisco and Procera and China's Huawei. Tunisia also used this technology before the revolution in 2011 that resulted in its leader being ousted from dictatorship. Several Arab despots have purchased it from German companies which cannot sell it at home as it is considered too intrusive. The trade is worth billions of dollars. The French, Germans and Brazilians have their own effective surveillance agencies but no agency has the reach of the American surveillance systems.

Surveillance has been considered unsavoury and Orwellian, but while it is true that some countries do overreach, it is essential for any government that wishes to be well informed of impending threats. Having invented lethal civilization-destroying weapons deliverable over long distances at high speed and technologies that threaten to take over human intelligence, and having encouraged conflicting ideologies and interventionist policies, governments are now scampering to put up the best available surveillance systems to try and ensure security and dominance.

The present state of global conflict adds to the complications. This is what intelligence analysts are up against in the years ahead and they must have systems in position to watch the traffic in the future as well. The US—and other countries like it with immense resources—has global interests which makes it a neighbour to almost all countries of significance, one way or the other.

Extensive systems of collection of surveillance intelligence and even HUMINT have evolved in the twenty-first century. It is now more about the workings of the foremost in global surveillance intelligence apparatus and how

workings of the foremost in global surveillance intelligence apparatus and how they have been privatized, as has HUMINT. Moreover, US intelligence systems are the most talked about too, mostly by Americans. This kind of surveillance has implications for privacy, freedoms and the challenges ahead. The choice between the two—security and freedoms—is a difficult one. The next section is not judgemental nor is it a critique, but a narration of how the superpowers view the threat to their interests and the steps they are able and willing to take to protect themselves.

‘Everybody’s a Target’

The American intelligence fraternity realized how thin they were on covering the threat of Islamic terror when it hit American shores on 9/11. That was not supposed to be the script. The system went into overdrive. The wheels of the powerful industry–intelligence–military–technology complex began to move at a rapid pace to enable a massive surge. The US decided it needed an upgrade of its all-source intelligence capabilities and abilities to react to any kind of threat imaginable. [4]

Within weeks, US Congress granted another $40 billion for strengthening internal defence and to launch a global offensive against Al-Qaeda. There were additional grants in the next two years. Buoyed by this bounty, military and intelligence agencies multiplied and within a few years, 263 new organizations were created or reorganized. These included the Department of Homeland Security and the Foreign Terrorist Asset Tracking Center. The briefs varied—from tracking WMDs to collecting and coordinating threat tips from terrorist activity. Naturally, all these required the rapid enhancement of workforces for administrative and logistical support, apart from the huge volumes needed for actual intelligence work.

The intelligence agencies, anxious to develop capabilities, quickly outsourced 70 per cent of their activities of the $75 billion intelligence budget, which is almost twice as large as the Indian defence budget. The NSA began to collect all information, even from domestic American sources, without authorization. Special operations were also farmed out and companies like Blackwater became partners in the war on terror in Iraq and quickly acquired the title of the world’s most powerful mercenary army. The craft of intelligence became the business of intelligence with major companies Lockheed Martin, CACI, IBM and Booz Allen partnering with the CIA, Pentagon and the NSA. [5] These corporations were assisting in performing the traditional intelligence tasks of running spy networks abroad, tracking terrorists, interrogating them and analysing data.

This was the rise of the new class of the entrepreneur–professional in America: the cyber intelligence ruling class. These ‘intelligence professionals’, as they are called, do the actual analytical and targeting work of the NSA and other intelligence agencies. Thousands of high-ranking intelligence officials and operatives gave up their government posts in favour of senior positions with military contractors, consultancies, law firms and private-equity firms. In strictly for-profit assignments, they replicated what they did in government—often for the same agency that they had left. [6]

Big Money rules America. Wall Street and the Washington, DC Beltway are one part, while the famed military–industrial complex is the other. Having the President of the US on board helps, or he can be persuaded later. Neither the White House nor Capitol Hill are the final arbiters. It is this powerful section and the revolving door between the corporate world and the government that wields real power in Washington, DC. The 9/11 attack was both a challenge and an opportunity to ‘Go Massive’ as Donald Rumsfeld would say later in the context of Iraq. Big Money was up and running, to urgently upgrade intelligence systems. In the process, the military–industrial complex became what Tim Shorrock described as the intelligence–industry complex. Globalization was going to be militarized and security was to be monetized.

A word about who might constitute Big Money in the context of security. In the defence industry, names like Lockheed Martin, Boeing and McDonnel Douglas figure prominently. Communications, technology and technology support for defence and intelligence interests are represented by Microsoft, IBM, SAIC, CACI and Booz Allen. Social media is represented mainly by Google, Facebook and YouTube, whose data mining is done by Booz Allen, Palantir and i2. Traditional media is primarily the *New York Times* and *Washington Post* along with *CNN* and *Reuters* . There are energy giants like ExxonMobil and mega-corporations like Ford and Carlyle. These private corporations became the leaders in the revamp of the most sensitive foreign and domestic intelligence operations. By 2006, the NSA was looking at the mass harvesting of information on social networks on the Internet.

In the process, Americans seemed to have acquiesced to a stringent Patriot Act that curbed individual rights. A new cabinet department called the Department of Homeland Security was constituted expressly to curb and weed out terrorist threats. Estimates vary but according to one, the number of personnel handling intelligence in the US had reached 2,10,000 by 2012 in seventeen intelligence agencies. Kabul alone had 700 case officers and presumably a comparable number were in Islamabad. The FBI acquired a fleet of 132 surveillance aircraft and helicopters owned by different front companies

in the US. Private American corporations began to assist in the collection and analyses of data for the NSA and the CIA. Even special operations were outsourced in some cases. By about the middle of the last decade, forty-seven private American companies were assisting seventeen US intelligence agencies in developing human intelligence.

Within a few years of 2001, America was enclosing itself in a giant electronic fortress with one huge listening post in West Virginia tuned in to millions of phone calls and email messages every hour, and another for the west coast in Washington State. Apart from the headquarters at Fort Meade, the NSA had acquired another $2 billion facility in Utah designed to intercept, decipher, analyse and store vast amounts of the world's communications downloaded from satellites and transmitted at massive speeds through the underground and undersea cables of international, foreign and domestic networks. US systems began to operate like a giant vacuum cleaner, sucking in huge amounts of data and requiring matching downstream sifting capacities, which human beings alone could not perform. [7]

Hundreds of international companies and organizations, including in countries closely allied to the US, were placed under the scanner to try to discover security weaknesses in cellphone technology and exploit them for surveillance. By 2013 the NSA was tapping into one billion phone calls a day and its PRISM capabilities enabled access for real-time digital eavesdropping. [8] By 2014 it could collect 200 million text messages daily from across the globe and use them to extract data regarding location, contacts and credit card details. [9]

Imagine the downstream activity that would involve more technology and expertise to convert this data into information and then knowledge and finally intelligence. The motto was: 'Everybody's a target; everybody with communication is a target.'

The bulk of intercepts by the NSA and the GCHQ were pulled down from the ether by powerful listening posts round the world apart from those within the US and the UK. A British listening post in Cyprus could hear a plane land at the Beijing airport, quite a contrast from the old ways where bugs and transmitters were planted in the offices and homes of targets by agents posing as cleaners, photocopy engineers and telephone linesmen! The NSA and the GCHQ had become 'the largest espionage organizations the world has ever known, capable of eavesdropping on conversations virtually anywhere on the planet'. [10]

Soon enough, issues relating to freedom and privacy began to surface. Intelligence leaks of the largest ever number of diplomatic and defence documents by Private Bradley Manning to Julian Assange of WikiLeaks fame in 2010 created global furore and embarrassment. Edward Snowden and PRISM

were headline news not because of the surveillance activities of the American intelligence system but the sheer volume, geographical spread and range of subjects. There has been considerable feigned surprise but the truth is that state surveillance is as old as history. It is perhaps the extent—97 billion pieces of information collected from all over the world in March 2013, for instance—that seems frightening. There is also disbelief that this massive surveillance can occur in the great open American society and part horror at the scale. [11]

A small company, SDL Government, had developed software that intelligence agencies could use to translate hundreds of thousands of Twitter and Facebook posts into English and then search them rapidly for potential clues to terrorist plots or cybercrime. A few months prior to this, when Snowden had revealed details of the PRISM programme, he had also revealed that the NSA and its British counterpart, the GCHQ, had special units focused on cracking encryption codes for social media globally and were accessing the data of companies like Facebook and Google. SDL's software would have been perfectly designed for such requirements of the NSA. In any case, the software, SDL has claimed, was 'securely deployed on premise, behind the firewall, at over seventy-five government organizations, including the Department of Defense and the Intelligence Community'.

Private Eyes The episode involving linkages between Facebook and Cambridge Analytica for providing assessments in the 2016 US presidential campaign to help the candidature of the Republican candidate Donald Trump is an example of twenty-first century capitalism working in two democracies: the US and the UK. The product is not a manufactured good but a US President, in a manner of speaking. Facebook and Cambridge Analytica are not on any ideological pursuit. As it turned out, the British company also had similar commercial interests in India, the world's largest democracy and potentially a source of immense wealth. It can be said with a fair degree of certainty that the larger issue here is that this data and analysis about Indians can now be easily available to other intelligence agencies or maybe even commissioned by them; rather, it probably already is. This can be used for other purposes including manipulating elections, disinformation or even raising sources for intelligence collection.

SCL, Cambridge Analytica's parent company, allegedly had access to secret British defence ministry information and was praised by the ministry for the training it provided to the military outfit 15 Psychological Operations Group in 2012. During this period, the trainers had access to secret information. This sort of disclosure could be the tip of the iceberg. Intelligence and counter-intelligence now have to follow different rules of the game. [12]

There are several interests at play in the ether—the newest playground of intelligence. One is the common user who mostly uses the services as an aid, a communication channel or for education and entertainment. Commercial corporate interests seek business prospects from Internet usage, for which they employ data brokers to collect data on all users. Some data brokers also sell data to corporates. Invariably, criminals will enter the arena to steal data for blackmail or to commit fraud. Terrorists use this medium for communications, recruitment, psy-war and global propaganda. States themselves use it against inimical states and those considered a threat. It is natural, therefore, that all states would need to resort to multi-layered surveillance in the genuine interests of national security. In the process, there is today a strong nexus between the technology and defence industries with the intelligence and defence departments in America. The practice of easy two-way mobility between government departments (including intelligence and military) and the private sector helps in this arrangement.

The American Institute for Critical Infrastructure Technology mentions that social media sites like Facebook have over 1.7 billion users, Google+ has more than 540 million users, LinkedIn has 277 million users and Twitter figures at 248 million. All these users are voluntary members who have joined for several personal reasons of convenience, seeking knowledge or friendships or love. But not all are innocent users. Terrorist organizations like Islamic State, for instance, prefer using messaging services like Telegram for recruitment, propaganda and messaging.

There were 1 billion Internet users in 2005, and by the end of 2016, the number had grown to 3.2 billion; 500 million tweets were sent on Twitter, Facebook had 1.7 billion accounts, and seven hours of footage in up to seventy-six languages was uploaded on YouTube each second. Sixty billion messages a day were processed on WhatsApp and Facebook Messenger. An individual could spend several hours a day listening to news, accessing YouTube, watching sport, listening to music, reading books, banking, transacting financial business, shopping at online retail sites, playing games, being in touch or just surfing the Internet. Ten years after it was launched in 2004, Facebook's 'Like' button was pressed 6 billion times each day and 350 million photographs were uploaded

every day. Terrorists play in this field.

Every single user of social media provides detailed personal information which enables these platforms to use demographics and psychographics to collect data. Demographics is the data related to factors like age, sex, race and so on, and it is used by governments, NGOs and private corporations for market research and policy formulation. Psychographics is far more detailed and personal. It is the study of personality, values, opinions, interests, lifestyles, habits and preferences. Social media platforms collect this data, analyse it and sell it as well. The ARPU (average revenue per user) for Facebook, for instance, has been estimated at $5.32. And this community is growing.

There are now data brokers whose sole mission is to collect, aggregate and sell this data. This data is collected from all possible sources—government records, court cases, marriage, birth death and divorce records, driving licences and records, professional records, medical details, every possible web browsing activity, details of credit card usage, holiday destinations, *et al.* All this information is analysed, aggregated and categorized into individual and societal profiles to be sold to unknown organizations. There is very little left to the term privacy.

To give an example, in his book *Future Crimes,* Marc Goodman describes the privacy policy of LinkedIn in some detail. He says the policy grants LinkedIn a nonexclusive, irrevocable, worldwide, fully paid up perpetual, unlimited, assignable, sub-licensable, fully paid up and royalty free right to us to copy, prepare derivative works of, improve, distribute, publish, remove, retain, add, process, analyse, and commercialise in any way now known or in the future discovered, any information you provide, directly or indirectly to LinkedIn, including, but limited to, any use generated content, ideas, concepts, techniques, and/or data to the services, you submit to LinkedIn, without any further consent, notice and /or compensation to you or any third parties.

That is quite breathtaking and one wonders how many would have joined had they read and understood what LinkedIn was asking them to agree to. The final blow is the declaration that any information submitted is at the user's own risk of loss. There are no comebacks, no erasures, no delete buttons. [13]

Among those who are more vulnerable to interception are the users of cellular networks. Cellular networks maintain up-to-the-minute records of device locations, and logs of incoming and outgoing communications. Governments often seek tracking records from service providers but in the West it is understood that this information is now available for sale to government agencies, or to any other buyer willing to pay.

Many of us would have wondered how popular one has become with emails

Many of us would have wondered how popular one has become with emails advertising hotels, restaurants, holiday destinations and medicines appearing regularly in the mailbox without ever asking for them. There is a well-oiled, extremely lucrative and highly competitive business in the West that specializes in this and this practice has begun to reach India.

It is quite clear that the usage of demographics and psychographics in information warfare is the new normal. Cybercriminals, cyber and conventional terrorists and even adversarial nation states have access to this data. Both the Chinese and the Russians have well-developed systems to conduct their information warfare campaigns. Russia has been accused of carrying out manipulative information warfare in the 2016 US presidential elections. It was alleged that its campaign featured disclosures of data obtained through its cyber operations and that overt propaganda by Russian intelligence systems informed and enabled the election campaign.

Google began as a small search engine in 1998 when two Stanford students, Larry Page and Sergey Brin, invented an algorithm that vastly improved search results on the web. From then on, Google has burgeoned into a mega giant in the Internet world. Its Gmail service began by offering one gigabyte of data, totally overwhelming Hotmail, which was then offering two megabytes. Over time, Google introduced Google Contacts, Google Maps, Google Earth, Google Drive, Google Chrome, Google Video (YouTube) and Google Android, among other services. Google's brand value today is $82 billion. Where does this money come from when the customer pays nothing for these services, either to Google, YouTube, Facebook, LinkedIn or Twitter? One explanation could be that these are mega philanthropic organizations that provide services that humanity needs in this growing technological world, but no one would accept this as an explanation of the functioning of free-market capitalism. Where there is an interest, there can be a bargain; this is the age-old Adam Smithian theory.

The reality is that the user is not the customer but the product. This is how it works and it has been explained with great lucidity by Marc Goodman. Every service offered is designed to coax, cajole or trick users to reveal data about themselves and their lives. It starts quite innocently but then every search made by the user on the Internet, every link clicked, every query raised is stored in Google's archives. Records are maintained of all mails sent and received. User profiles are collected and refined. When Google introduced an opportunity to store contact lists online, it could evaluate the size, strength and purchasing power of an individual's social network. Google Maps, with its free GPS, enables the tracking of places visited; Google Voice can check any name or number called and transcribe voice mail messages using voice-recognition and

voice-transcription software. The free Android operating service enables Google to track users via their smartphones. All queries, emails, voice mails, photographs, comments and locations have been stored and categorized even more systematically and completely since 2012, when it announced it was merging all data from all its products to one centralized place. Google can record and keep voice records of all conversations an individual has around his phone. Even normal conversations can automatically activate the recording function. Facebook has been planning to introduce encryption but in such a way that it would still be able to read messages. [14] All searches carried out by individuals, groups or organizations are stored through a big computer algorithm in the sky, aggregated into petabytes and sold for billions. Truly, 'Google does not forget, and Google does not delete'. [15]

The practices of other social media sites are similar. What most users opt to skip reading is the Terms of Service that each website or service stipulates, often in the so-called interests of protecting privacy. The unsuspecting user pays scant attention to the lengthy and convoluted fine print. Small fonts, single-spaced text and margins in a document spread over fifty pages are forbidding reading for most. Carnegie Mellon University calculated that if an American were to read all the Terms of Service of commonly used products it would mean a loss of seventy-six working days at a cost of $781 billion a year. The *Wall Street Journal* calculated that these one-sided policies cheat American households of $250 billion annually. Despite this, the Internet flourishes.

There is another serious aspect of privacy that one cannot ignore. When asked to comment on privacy concerns arising from an increased tracking of users, Google CEO Eric Schmidt remarked, 'If you have something that you don't want anybody to know, maybe you shouldn't be doing it in the first place.' Facebook, for instance, had as many as fifty different privacy settings with 170 options some years ago. Facebook CEO Mark Zuckerberg had a similar comment when he said that 'privacy is no longer the social norm'. Yet, Zuckerberg himself is very possessive about his own privacy, having bought four surrounding houses to his property for $30 million in 2013.

Very few would have heard of US companies like Acxiom, Epsilon, Datalogix, RapLeaf, Reed Elsevier, BlueKai, Spokeo and Flurry. These and a few others are part of a growing data surveillance industry in the US and they generate business worth $156 billion annually. This is almost twice the amount spent by the US government on its intelligence apparatus. These companies employ infrastructure, tools and techniques available in the corporate world; they can peer into any citizen's life, and they presumably need no Congressional approval.

The Dilemma This opens up the debate about privacy and freedom versus security and surveillance, especially whether breach of privacy is a violation in some cases and acceptable when convenient in others.

Terrorism will remain cheap and unremittingly lethal. Islamist groups are known to use mini-cameras to post propaganda films on YouTube. Steganography is used to embed secret messages on the Internet. Terrorism is now truly global and as multinational as Microsoft. The ingredients for the sarin gas used in the Tokyo subway attack of 1995, which has the ability to kill anywhere between a few hundred and a few thousand, cost only $150. The irony is that the American state spends multimillion dollars in developing state-of-the-art drones armed with advanced weaponry but can now be hacked by terrorists using off-the-shelf software available for the princely sum of $26! This is an example of the disparity between costs to insurgents and counter-insurgents.

Today, information is exchanged in microseconds. The trick is to prevent misuse of the highway and not just block it for everyone, which would be a retrograde step. The use of the Internet, Facebook, Twitter, YouTube and other sites by Pakistani anti-Indian and jihadi organizations is well known. Jamat-ud-Dawah (JuD), the ideological mentor of Lashkar-e-Taiba (LeT), has its own website and a Twitter account and uses YouTube to propagate its radical ideology. Social media accounts held and operated by various terrorist organizations or websites to spread their creed abound. These are the kinds of accounts and sites that Indian intelligence should be watching, instead of blocking sites like Jihad Watch, which though controversial was considered to be a counter-jihad movement. Meanwhile, as the ISI is feared to be spreading its network into India’s cities beyond Kashmir for the recruitment of spies and jihadi outfits, the task for Indian counter-intelligence has become even more difficult.

Hamas has used social networks and has exhibited considerable skill and imagination by luring Israeli soldiers through social media. It is a much smaller organization compared to Hezbollah which uses similar techniques. Elsewhere in the Middle East, Islamic State may be crippled and the Caliphate, as had been promised by the reclusive Abu Bakr al-Baghdadi in 2014, may have receded. Islamic State might be moving into a virtual Caliphate that could be the place from where radical ideology and malicious propaganda will continue to spread; it can also organize global strikes. Islamic State makes extremely sophisticated use of social media, borrowing themes from Hollywood that are custom-built for specific audiences and inspired by Western entertainment programmes. Thus, the fight against terror will continue in newer spheres without any surrender in the existing ones. Terrorist organizations based in Pakistan that target India

the existing ones. Terrorist organizations based in Pakistan that target India would have state support in carrying out similar activities.

There is now the added problem of the involvement of Indian youth in Islamic State terrorist activity. The young are influenced while at home via their computers and physical human contact is no longer a prime requirement. Modern technology and communications have ensured this. The difficulty with surveillance and collection of intelligence about terrorism, crime syndicates of gunrunners, human traffickers, narcotics smugglers, counterfeit currency dealers and hawala merchants is that it is sometimes impossible to distinguish between internal and external threats. Islamic State is currently featuring in Afghanistan and Pakistan or other interested agencies that use its flag as camouflage. This could well be the next arena in this expanding virtual caliphate. It would be prudent for Indian intelligence authorities to get ready for the chilly westerlies in the times ahead. The intelligence war will continue. (A subsequent chapter will cover terror, crime, technology and intelligence in detail.) Meanwhile, conventional and WMD threats to nations have not disappeared. Security today has a much wider meaning and includes the security of markets and resources, energy, water and stability of currencies. Crime and terror coalesce often, using the same routes and couriers. Money laundering takes place in seconds and cash does not have to be transferred in duffle bags. Tasks for intelligence agencies have become that much more difficult and governments expect results in real time, almost.

Not so long ago, in October 2015, the European Union Court of Justice struck down a data-sharing agreement which would have allowed the transfer of private data to the US. This unease was the result of revelations in 2013 by Edward Snowden of the indiscriminate nature of US surveillance programmes. The Court of Justice felt that American companies would inadequately protect the personal data of Europeans. Islamic terrorism in Europe in recent years, the influx of refugees from the Middle East, particularly since the end of 2015 and in 2016, has brought about a change in how Europeans view security and freedoms. The UK, France and Germany have enacted laws that give intelligence agencies vast powers for bulk interception of communications across and through Europe with limited oversight or adequate safeguards against abuse. Quite obviously, faced with threats to their established ways of life, these countries have had to make compromises with their earlier high principles and rhetoric about freedom and privacy. It is now being heard in Britain that journalists who hold leaked official documents could be liable to jail terms up to fourteen years in the updated Espionage Act that overhauls the existing Official Secrets Act. Other European countries are expected to follow this trend.

One of the main problems in the collection of intelligence is that the professional assessment of threats, the need to tackle them, policy prescriptions and political requirements can often be at variance with each other. Despite the acceptance that jihadi terrorism in India originated from Pakistan, there has not been a consistent policy on how to counter it. The essential problem for governments is how to prepare for low probability but high-impact acts of terrorism or other kinds of threats. The way advance intelligence is collected and made available in the public domain is always a sensitive decision because while there is a need to create public awareness, it is also necessary not to raise alarm and protect the sources of intelligence. The unseen nature of threats means that intelligence services should be ahead of the curve. [16]

The dilemma remains. How much of a secret should be revealed in the interests of security and justice and how much held back to protect sources for the future? Often, it becomes difficult to disclose intelligence justifications in advance to the political leadership, media and civic rights groups without disclosing sources, especially to the latter two. When attempts at procuring accurate pre-emptive intelligence are unsatisfactory, governments might resort to extensive personal profiling based on religion, ethnicity and so on, resulting in house arrests and detentions. But there is no accurate algorithm invented so far that would provide perfect results in such profiling.

In the real world, there is no such thing as complete and unfettered freedom of speech. Another's liberty, rights and sensitivities circumscribe one's own. Article 19(2) of the Indian Constitution has some caveats to individual freedom for reasons of morality, decency, incitement to offence, defamation and security and sovereignty of the state. These constitutional provisions and exceptions were made within the sovereign territory of a nation. This was before the birth of the Internet, which is outside the sovereign control of any country, except those where the servers are located. Besides, the communications revolution transcends boundaries and has not yet discovered its ultimate frontier. This extra-territorial facility is used against a nation by other states and terrorists. For an intelligence agency, the idea that its country's communications are controlled from outside its national jurisdiction is the starting point for suspicion and extreme unease. This simply must be monitored. [17]

Though surveillance needs to be accepted, it cannot be unfettered either. Yet there are instances like the US Department of Homeland Security creating fake Twitter and Facebook accounts to scan social media networks and blogs by using key words and tracking people through them. The FBI has also been pushing for a more intensive monitoring of Internet traffic. Sir David Omand, former head of the British GCHQ, which is much older and bigger than our

National Technical Research Organisation, had, in April 2016, recommended that social media sites be covered strictly. This, however, is not to justify the gaucheries of the recent past when a panicky government overreacted to curb genuine civil dissent. A democracy must allow freedom of speech, including satire and strident criticism, for this is one of the most essential ingredients of democracy. The rulers must know what the people are saying and what bothers them the most; such dissent is not disloyalty. This is far better OSINT and a superior yardstick to any other intelligence output about the mood of the people. We thus need to have the facility to keep a watch and separate the genuine critic and dissenter from the terrorist or agent provocateur.

Yet, the most difficult issue is to decide when privacy and individual rights must give way to unlimited state surveillance. In times of war, certainly, for the limited time that the war lasts. On the other hand, counter-terrorism is a long, dirty, unseen and endless war against an unseen enemy. Terrorists do not carry nametags or flags, nor do they have mailing addresses. In India, those in the business have known how important and difficult it is to have access to worthwhile eavesdropping as part of technical surveillance. We all remember the famous Musharraf–Aziz conversation during the Kargil War that successfully pinned the blame on the Pakistani Army. Recently, one heard a recording of conversations between LeT controllers and operatives discussing plans to eliminate the BJP leadership. There have been numerous other incidents when intelligence surveillance has saved the day for the country and for individuals.

Besides, fighting terrorism is not just the concern of the police, armed forces or intelligence agencies. Terror is also against the common person and he or she has to participate in the fight against it. Is he willing to sacrifice some amount of his privacy to help the cause? After all, when the police hunt for a criminal or a terrorist travelling on a highway, they do have surveillance and roadblocks. We subject ourselves to scrutiny at airports, railway stations and, in India, entry into malls and cinema halls. We have our agony aunt columns where we are willing to share secrets with unknown entities. We happily share details of our bank accounts and income tax returns when we apply for visas. So why not with the state?

There is a need for constitutional provisions and institutionally legalized supervisions or oversight to this kind of action, accompanied by the empowerment of an intelligence organization. This would be to guard against misuse at all levels and the tyranny of the petty bureaucrat, venality of the system or politicization of this privilege. This is the most difficult part of the arrangement in a country like ours where observance of the rule of law is usually weak.

Intelligence surveillance of all kinds is a necessary add-on to HUMINT and cannot be wished away. HUMINT—the best source of intelligence when one deals with terrorism—is also the most difficult. Penetration of a terrorist organization is extremely difficult and hazardous, where discovery could lead to the most horrendous terminations; this holds even more true when planting a mole. Even if that is done, there is no guarantee that the source will have access to the operations being launched. Interrogation—even enhanced interrogation, to employ a term used by Americans—is not a guarantee for success. Intelligence agencies must rely on HUMINT and TECHINT, including surveillance and interrogation, and hope to succeed. The perennially unresolved issue is: what price freedom and what cost security? [18]

Afterthought Michael Flynn, President Trump's very temporary national security advisor, became the man with the shortest tenure when he was asked to quit following disclosures about a conversation he had with the Russian ambassador, about which he had been economical with the truth. Quite obviously, Big Brother was listening in.

Larger issues remain. Today, after a decade and a half of the so-called war on terror fought all over the Muslim world, victory seems no nearer than it was in October 2001. What we have is an exhibition of how major powers deal with threats. There are lessons for all dealing with intelligence and security. A detailed investigation titled 'A Hidden World, Growing Beyond Control' by Dana Priest and William M. Arkin for the *Washington Post* has many revelatory features. The report, last updated in 2010, says: The top-secret world the government created in response to the terrorist attacks of 11 September 2001 has become so large, so unwieldy and so secretive that no-one knows how much money it costs, how many people it employs, how many programmes exist within it or exactly how many agencies do the same work. [19]

Therein lies the truth and the future.

7

The Triangle: The Terrorist, the Criminal and the Spy

‘SOME MEN WORSHIP RANK, SOME WORSHIP HEROES, SOME WORSHIP POWER, SOME WORSHIP GOD, AND OVER THESE IDEALS THEY DISPUTE AND CANNOT UNITE—BUT THEY ALL WORSHIP MONEY’ —Mark Twain

Mumbai, 12 March 1993

It was the third Friday of the month of Ramzan, and one day after the Battle of Badr, which in Koranic history took place on the seventeenth day of the month. At about 1.30 p.m., there was a loud explosion in the basement of the Bombay Stock Exchange in an upmarket area of the city, killing about fifty people. Twelve other explosions followed in quick succession in different locations, and by the end of the evening, 257 people were dead and thousands injured. The wave of terrorist attacks had been carried out by the city’s criminal mafia, led by Dawood Ibrahim and sponsored, aided with weapons and RDX explosives and training, by Pakistan’s ISI. Dawood, who began his career as a small-time crook on the streets of Mumbai and rapidly graduated to the head of a dreaded smuggler gang operating between the Persian Gulf and Mumbai, had the money. The riots of December 1992 and January 1993 in Mumbai had provided the anger. The ISI helpfully stepped in with training, weapons and explosives and in exchange allowed him to carry out his smuggling from Pakistan. Dawood’s smuggling rings transported the contraband to Mumbai with the help of some corrupt Indian officials. The nexus between terror, crime and intelligence was complete. Whatever rules governments might make to eradicate crime, criminal activity will never cease. So also with terrorism.

Compared to the global population, the actual number of terrorists may be small, but this also makes them difficult to find. There is no known algorithm that determines under which circumstances an individual will become a terrorist. The point is that even if an algorithm is 99.5 per cent accurate in this regard, it would still mean millions in a country like India are left out of the calculation. Further, there are many ways in which terrorists can strike and cause damage.

using aircraft, boats, rubber dinghies, cars, even motorcycles and cycles. Now one can expect drone attacks too. We are not even talking of dirty bombs or chemical and biological material terror attacks. The targets could be anywhere that is crowded, from music halls to stadiums, schools and buses, places of worship, symbols of government or military or iconic cultural places. The method of attack could be explosives or assault weapons. It is impossible for any society to build permanent fortresses and high walls or muzzle freedom of speech and restrict the movements of citizens for their own safety.

An ability to prevent an attack is what all intelligence aspires for—it is not easy to achieve. Intelligence agencies are expected to provide this crucial advance warning, which they try to do by collecting HUMINT through source operations and by planting moles within a terror outfit. None of this is easy because of the immensely secretive nature of terrorist outfits, which do not observe the Geneva Conventions rules in their treatment of prisoners, traitors or spies. The second method is surveillance—by listening in to conversations, intercepting mail and email, and aerial reconnaissance. As the US has discovered, there is no limit to the amount of listening in one can do and the results are not always commensurate with the effort. Fighting terror is not just a battle between good and evil or between the good guys and the bad guys. Often the lines overlap and interests clash.

The Cash Nexus

Usually, discussions about solving or controlling terrorism revolve around determining and alleviating causes and grievances and religious, political and ideological motivations. This may explain the genesis of the problem but for an intelligence agency, the root cause has to be dealt with politically. An intelligence agency is more concerned with unearthing the sources of funds and weapons and severing links, depriving the organization of its life-sustaining oxygen. Money makes the world go around, and this includes crime and terror.

The terrorist who tugs his explosives-laden vest dies unsung, perhaps hoping to attain paradise and the promised virgins. A suicide terrorist makes no money from a gruesome end; that is not a part of the dream anyway. He or his family may get some but it is his organization that gains as it basks in the bloody afterglow. Like in the real world of globalized economics, manufacturers or inventors are not the ones who necessarily acquire immense wealth; it is the marketers, advertisers and accountants who do. In the world of terror too, money

is made by a wide variety of underworld operators, such as smugglers of narcotics and weapons, money launderers and counterfeiters, human traffickers and pimps who control prostitution rackets and the slave trade in places like Sierra Leone for Blood Diamonds or Ghana for Blood Gold. The couriers are the low end of the money chain.

The money and terror nexus is far more intricate than the relative cost of a terror incident and the cost to prevent or battle it. Al-Qaeda spent about $5,00,000 on the World Trade Center attack in 2001. In sharp contrast, and in confirmation of how asymmetric the war on terror is, a panel of academics from Brown University and Boston University estimated that the Global War on Terror had cost the US exchequer about $5 trillion in real terms by 2011, of which $3.7 trillion was accounted for by Afghanistan, Iraq and Pakistan. [1]

Claude von Clausewitz's famous comment, 'War is the continuation of politics by other means', could perhaps be revised in the present context to say that terrorism is the continuation of war by other means. Proxy wars have raged between the two superpowers and their surrogates since the 1970s in Asia, Africa and Latin America with funds, weapons training, shelter and high-octane psychological warfare. The situation has now become bizarre, even surreal, where powerful military and intelligence agencies collect all-source intelligence and meta-data and huge mega-corporations dealing with information technology and social media collect data for profit. Terrorists and criminals use the same platforms as the other two entities. They are all fighting their wars and collaborating on the same turf. Modern-day terrorism is no longer an execution of a plan by a bunch of angry young rebels or romantic heroes. In this world, circles do not close, it is impossible to build squares, and friends are enemies too. The worlds of terror, crime and intelligence overlap so much that they have to be explored together to understand the depth and intricacies of the game—or war.

In the postcolonial period and during the Cold War, terrorist or insurgent activity was usually state-sponsored. The French followed this pattern in Indo-China in the years after the Second World War but had to leave. State sponsorship of terror during the Cold War was thus the favoured method of trying to overcome opposition by either camp and it led to the privatization of terror and its profits. Yasser Arafat's Palestine Liberation Organization (PLO) was the first such global model, breaking free of Arab monarchies and states. Today, like economic globalization, terrorism is also globalized with money as the engine, and in most cases Islamic radicalism is the fuel. The two antagonists seek to assert power and dominance through their proclaimed ideologies. Many experts do believe that essentially all these assertions are about economic control

control.

Whichever way one looks at the problem, it is not receding but becoming more complicated. Intelligence agencies are required to prevent terror and control the levers that abet terrorism. On other occasions, the same intelligence agencies are required to fan terrorism in other parts of the world. National interests sometimes come into conflict and complicate issues. The modern age, with its communications and technologies, has made the task of pre-empting and preventing terror far more complicated and expensive. No single agency and no single country can handle global terror, and cooperation in this regard has been less than satisfactory, sometimes non-existent. What follows is an explanation of the intricate world of terror, crime, intelligence and national interests.

A Tangled Web

If terrorists and drug smugglers need money laundered for their activities, there are times when the state also resorts to the use of covert money for its own operations. The superpowers often did this in their all-or-nothing militarized Cold War, through surrogates in Asia, Africa and Latin America. Europe, America and the Soviet Union were, however, spared similar militarized conflicts and were a zone exclusively for a Cold War of the Spies. NATO and the Warsaw Pact ensured there were no military entanglements. Not so in the rest of the world, where intelligence agencies, paramilitaries and non-state armies, mafias and criminals were all involved.

For instance, in Central America, the US saw a threat in the Soviet-backed Marxist governments coming to power. It created a paramilitary force late in 1979–80—the Contras—from the ex-guardsmen of the Nicaraguan dictator's National Guards to oust the left-leaning Sandinistas. The Contras had access to funds from secret coffers and were equipped and trained by the CIA. The Reagan–Bush administration had bypassed the Congressional stipulation that no US money would be available for covert or overt operations in Nicaragua.

The US ended up creating a system where it converted good money into dirty money and then laundered it through a complicated mechanism. National Security Council staffer Colonel Oliver North and Donald Gregg, the vice president's national security advisor, worked out a scheme to raise $1 billion a year domestically for the Contras through fraudulent insurance transactions, illegal bank loans, fake security sales and money laundering. Thousands of persons—former CIA agents, military and political staff—were involved in this mega-exercise. There was also an NGO, the American Eagle Foundation, where

mega-charities. There was also an NGO, the American Eagle Foundation, where major contributors availed of tax exemptions.

Meanwhile, Oliver North was playing another complex game. The Iran–Iraq war was on in the 1980s, where the Americans had sided with Saddam Hussein. Yet, the payoff was selling US weapons to Iran for cash, which would go to the Contras, and the US would get American hostages back from Lebanon. The CIA shipped the weapons through Israel, which sold them to the Iranians at a premium. The deal had been worked out through one of the Middle East's favoured middlemen, the Iranian Manucher Ghorbanifar, with the other notable, Adnan Khashoggi, providing a bridging loan of $5 million as a guarantee that the Iranians would honour the contract. Ultimately, the Iranians got their weapons, the Israelis received huge mark-ups, the CIA received the $12 million-plus costs from the Iranians, the two intermediaries made their profits, and North transferred the other mark-ups to Swiss accounts controlled by the Contras. Everyone went home happy until Al Martin, a retired US naval officer, blew the lid on this deal in 1986. Oliver North took the fall and did a jail term for king and country.

The CIA's Jihad It was US President Carter who decided in July 1979, six months before the Soviets actually intervened in Afghanistan, to give covert assistance to the Afghan Mujahideen. The more commonly believed narrative has been that the US was reacting to the Soviet invasion. [2] In reply to a question many years after the fact, Zbigniew Brzezinski, Carter's former national security advisor, commented about the wisdom of aiding the Mujahideen. He was quite unrepentant when he asserted that historically it was far more important to ensure the collapse of the Soviet Union, the liberation of Central Europe and the end of the Cold War than to have a few stirred-up Muslims and the Taliban. He scoffed at the prospect of global Islam or anything common between Saudi Arabian fundamentalism, moderate Morocco, Pakistani militarism and Egyptian pro-Western secularism. [3] The irony is that Brzezinski was saying this even as Osama bin Laden was preparing for a major assault on the US. Brzezinski's own hubris prevented him from visualizing the future. The American war in Afghanistan began in 1979 and has not really ended even today.

When Ronald Reagan became President in 1981 he brought with him his

When Ronald Reagan became President in 1981 he brought with him his personal charm, Christian missionary zeal and the celluloid bravado of Hollywood. The Soviet Army was in Afghanistan, so here was an opportunity to get even and bury the ghosts of Vietnam. He appointed his campaign manager, the self-made millionaire William J. Casey, as his intelligence chief. Casey saw himself as the man of the moment, with his intense dislike for communism and his love for the covert. Casey remained controversial throughout his tenure. The Senate intelligence panel had given Casey a lukewarm clearance when it only found him 'not unfit to serve' at the conclusion of its four-month probe into his financial background. The Iran–Contra scandal happened under his watch.

Despite this, Casey was the one to get the anti-Soviet arrangement, primarily between the US, Saudis and Pakistanis, off the ground. Casey's obvious religiosity impressed his Islamic partners in jihad even though the reasons why they were in it were different. The Afghans were the only ones fighting for their land and the money; the Saudis and other Arab mercenaries were there for Sunni Islam, the Americans for revenge and anti-communism, and the Pakistanis for the money and to get even with India. As long as the money and equipment kept flowing, with the Pakistanis in charge of distribution, the arrangement largely worked, even though there were a few acrimonious occasions. Casey frequently flew aboard non-stop in his specially configured and luxurious Starlifter C-141 to Riyadh to meet his Saudi counterpart Prince Turki Al Faisal, and then move on to catch up with his Pakistani collaborator, General Akhtar Abdul Rehman of the ISI. [4] The latter once also presented the American with a carpet worth $7000 —undoubtedly as a token of gratitude. Who knows, maybe this too was purchased with American money.

Hence, in Afghanistan, the US had outsourced its Cold War against the Soviet Union to a willing accomplice—Pakistan. Here was a country willing to help America win the war without involving a single American soldier. There would be no body bags this time. For Pakistani dictator General Zia ul-Haq, ostracized by the West after he had hanged Zulfiqar Bhutto, it was a god-sent gift and his past sins were quickly forgotten. He was the toast of the American nation. In reality, Pakistan was not just fighting America's war; it was gearing up for the next round against its arch-enemy—'Hindu' India—but the Americans were not really losing any sleep over the subcontinent's rivalries.

The ISI owes its rise and expertise in creating terror in India to its learning experience during the Afghan jihad. It enthusiastically stitched together the jihad with help from the Afghan Mujahideen fighting the Soviets in Afghanistan, American money and supplies of weapons, Saudi backing, Pakistani recruits and safe havens, and some Chinese and British money and goodwill to boot. The money from heroin smuggling also funded the war and generously lined pockets

on both sides of the Durand Line. By the mid-1990s, Afghanistan was divided into two broad regions controlled respectively by the Taliban and the Northern Alliance, both non-state players in control of a state. It had a war economy based on the production and smuggling of opium processed in heroin factories in Pakistan, and dealings in weapons and arms. Inadequate attention has been paid to this menace all these decades and today the Afghan narcotics industry has grown to be the world's largest.

The Americans were thus actively involved in the world's best-known covert war. The CIA had tremendous heft in Washington, DC those days but it still did not have the power that the ISI had begun to wield in Pakistan, where it employed about 1,50,000 persons to run the supply chain from Karachi to Afghanistan and back. The ISI, extremely pleased with its relationship with the CIA, must have enjoyed working for the Americans. Those must have been wonderful days for the Pakistan establishment. They were much sought after, could set the pace at times, and the money and weaponry just kept flowing in. The Afghan Pipeline was bringing in cash and weapons. The Pakistanis decided where, when and how much to deliver and the Americans consulted the Pakistanis about the kind of military equipment to buy. The CIA even helped the purchase and shipment of mules from Texas and Ethiopia as pack animals to transport military equipment across the harsh mountainous terrain. The Saudis matched the US dollar for dollar. The ISI's coffers were overflowing, even as it needed newer and larger storage arrangements for the weaponry that was arriving by ship and air. Running the jihad cost its sponsors about $5 billion annually, with some understandable leakages in the Afghan Pipeline.

The Bank for Crooks and Criminals Since considerable funds came from the black budget of the Pentagon, ways had to be found to route them clandestinely through reliable financial institutions and banks. Into this equation entered BCCI, created in 1972 and headed by a Pakistani, Agha Hassan Abedi. One of the bank's shareholders was Kamal Adham, then Saudi intelligence chief, the CIA's principal contact in the Middle East and a key figure later in the BCCI takeover of First American Bank. Another shareholder was Khaled bin Mahfouz, heir to Saudi Arabia's National Commercial Bank, the biggest bank in the kingdom patronized by Saudi royals. Khaled was friends with another young billionaire, Salem bin Laden, whose father, Mohammed Awad bin Laden, was owner of the Saudi bin

Laden Group, and also the father of Osama. There was suspicion later that bin Mahfouz had funded Al-Qaeda through some charities. Iranian arms dealers like Ben Banerjee and Cyrus Hashemi were BCCI's customers, as was Saudi arms dealer and fixer Adnan Khashoggi, who had handled the Iran–Contra deal. William J. Casey knew that the US National Security Council had used BCCI to route funds for the Iran–Contra deal. The bank had channelled funds to the Unita in Angola and even to Manuel Noriega in Panama through its secret channels. BCCI also helped the Saudis buy Chinese Silkworm missiles.

The Bush family had links with BCCI through a Texan businessman, James R. Bath, who in turn had links with bin Mahfouz. Both these, along with Ghaith Pharaon, one of those ubiquitous fixers of the Middle East, shared ownership of Houston's Main Bank. In 1976, when George H.W. Bush was director of the CIA, the agency sold its secret airline, Air America from the Vietnam War days, to Skyway, which was owned by bin Mahfouz and Bath. Bath then helped finance Bush Jr's oil company, Arbusto Energy, in 1979 and 1980. Osama's father Awad was no ordinary Saud. Well connected with the monarchy, Awad bin Laden's company banked with Citigroup, invested with Goldman Sachs and Merril Lynch and did business with Disney and Hard Rock Cafe, among others. Like everywhere else in the world, connections helped. The bin Ladens had shrewdly joined the Saudi royals in becoming business associates with James Baker, former secretary of state, and George H.W. Bush when they invested with the Carlyle Group, a major private equity firm.

These connections helped when the crunch came in the aftermath of 9/11. Among the several bin Ladens in the US at the time was Osama's younger brother, Abdallah, a Harvard Law School graduate with offices in Cambridge, Massachusetts. Several other bin Ladens had attended Tufts University and Osama's half-sister Sana had graduated from Wheelock in Boston. Mohammed and Nawaf bin Laden owned units in the Flagship Wharf condominium on Boston harbour, while Wafa bin Laden and Kameroun bin Laden enjoyed life in the fast lane in New York. There were others strewn all over. Yet, despite the ban on domestic flights after 9/11, specially chartered flights took off from all over the US and brought their passengers to Boston's Logan Airport where on 18 and 19 September two aircraft took off for Saudi Arabia with their precious passengers. The US authorities questioned no bin Laden and no Saudi royal about the terror attacks before they left.

In the world of intelligence, it is not surprising that BCCI with its credentials, nature and style of operations became Casey's favourite bank for receiving and transmitting funds. Operating like a mafia organization, with a secret set-up in Karachi, BCCI became a multi-service bank for the CIA during the Afghan jihad. It financed and brokered arms deals and dealt with financing and logistical support for the sharply growing business of heroin smuggling. With Pakistani help, the Afghan fighters opened hundreds of heroin factories along the borderland, from where most of the heroin found its way to the US via Karachi. The Americans knew this was going on but apparently sacrificed their morals at the altar of winning the war against the Soviets.

The bank happily bribed officials, including those from the ISI, to enable shipments from Karachi meant for the Afghan mujahideen to pass smoothly through customs. The CIA used secret accounts to pay the fighters and Pakistani officials. The bank donated large sums of money, up to $10 million, to Abdul Qadeer Khan to help him construct a secret laboratory in his quest for the nuclear bomb. This grant originated from BCCI, and Ghulam Ishaq Khan, then finance minister and future President of Pakistan, managed it. The bank provided sophisticated and innovative schemes to wealthy clients wishing to take their money abroad. [5]

By 1991, the Soviets had retreated from Afghanistan, the Afghan jihad was over, the Soviet Union had broken up, and BCCI had delivered what was required of it. Its purpose served, it was now considered rogue; there were far too many embarrassing secrets that had to be buried deep underground. A John Kerry–led US Congressional Committee report in 1992 condemned BCCI as a fraudulent criminal organization. It referred to its 3000 criminal accounts, each one of them fit for front-page news. BCCI was punished for its global fraud but more for having had the temerity to clandestinely buy First American Bank, America's oldest bank.

Pakistan, anxious to exert control over Afghanistan after the Americans had gone home and before the Indians moved in, saw an opportunity in the sudden rise of the Taliban. The US saw it as another lucrative venture with eyes focused on Turkmen gas. A $4.5 billion pipeline built by UNOCAL through Afghanistan into Pakistan would benefit US commercial interests. The US hoped to strategically gain by depriving the Russians and Iranians of access to this gas, while Pakistan hoped to benefit with suzerainty over the Taliban in Afghanistan and some additional money in its coffers from the pipeline. Despite valiant efforts by many, including the US State Department, this dream died young.

Funding Terror Earlier, fearing that there might be a Pakistani

turnaround in their campaign against the Soviet Union, the Americans had winked at General Zia ul-Haq's misdemeanours as he went about acquiring nuclear capabilities and simultaneously aiding and abetting the Sikh insurgency in India. India would pay the price for US goals in the region. Sikh insurgents living in Pakistan had recourse to ISI funds and donations from the rest of the world, facilitated by the Pakistani establishment as it participated in its own two-front terror war.

The end of the Afghan jihad only meant that the Pakistan establishment moved its jihadi foot soldiers to Kashmir in the 1990s. This too was massively state-sponsored to begin with, but when there was pressure on Pakistan, it began to privatize this business of jihad in India. Successive Pakistani governments have viewed the use of expendable jihadi fighters as a sound and cost-effective strategy against India. It helped to keep the Indian threat alive while the Pakistani army could continue to retain its primacy while its regular soldiers remained safely ensconced in their barracks or plush farms in Okara, Punjab. Pakistan has deployed a huge phalanx of terrorist organizations against India, one of the deadliest among which is LeT.

Created in 1987 with seed money from Osama bin Laden, LeT quickly became a favourite of the ISI. Its creed—Ghazwa-e-Hind (Islam's victory in the final battle against India)—was particularly enchanting to the Deep State of Pakistan. LeT entered the Kashmir terror scene in the 1990s when the ISI was busy diversifying jihad on the Afghan model. Its zealous cadres won acclaim. It continued to have links in Afghanistan, received generous donations from the Middle East—especially Saudi Arabia—and the support of Pakistan's Army and the ISI. Rich Pakistani businessmen, eager to feather their own nests with the Deep State, donated generously, contributing to LeT's rise as an Islamic terrorist force in Asia, with links to Al-Qaeda and a reach into Central Asia, even the Balkans. It has conducted operations in Chechnya, Bosnia, Iraq and South East Asia, and continues to train its cadres in camps in Muridke, its headquarters near Lahore. LeT remains an invaluable asset to the ISI and the Pakistani establishment as it enables them to keep the Kashmir option open even while supporting the US campaign in Afghanistan.

The Pakistani terror-business of sending terrorists across into India, which began on a massive scale in the 1990s, soon became truly lucrative for those overseeing the infrastructure of this trade. There have been varying calculations and estimates about the amount of money thrown into this venture. Waging jihad

or any form of terror is a financially profitable enterprise and the Deep State has opened the spigot. Money is never a problem, even in times of global distress, for this state-aided terrorism that is described as an independence struggle. Estimates in 2006 (*Herald* magazine, Karachi) were that the ISI was spending $50,000 to $60,000 on it per month. The 26/11 terror attack in Mumbai in November 2008 may have cost approximately a million dollars, according to calculations extrapolated by Wilson John in his book *The Caliphate's Soldiers.* The amount included training, transport, equipment and remunerations. (Others have estimated a lower figure.) It is estimated that Pakistan's ISI was earning ₹500 crore (about $75 million) annually a few years ago through the circulation of fake Indian currency notes worth ₹1600 crore. [6] This may not be a large sum in terms of the total amount of notes in circulation but as far as neat profits are concerned it is substantial. On each note circulated, the ISI would skim off 30 to 40 per cent, making Indian money subsidize terror against India.

A Rand report estimated that the ISI spent about $125 million to $250 million annually on various terror networks a decade and a half ago. [7] According to another estimate, it spent $50 million on groups such as the Hizbul Mujahideen, LeT and Jaish-e-Mohammed (JeM). [8] A secret US report estimated some years ago that the annual military operations budget of LeT was about $5.2 million. [9] One operating season in a sector of Jammu and Kashmir for a single terror group cost about ₹250 million. Add to this the number of terror groups that Pakistan has thrown at India and one can deduce that this figure would be upward of ₹1000 million. These figures had spawned overnight millionaires in Pakistan and some in Jammu and Kashmir too. Yet this was small change compared to the profits being made during the Afghan jihad led by the Americans against the Soviets in the 1980s in Afghanistan, and now in the rest of the world.

LeT has received funds from state sponsorship, charities, smuggling and its own businesses. The amounts, paid directly into an advertised account number with Bank al Falah Limited, LDA Plaza Branch, Lahore, reach LeT. The sale of publications, remittances from diaspora and government grants are its other sources of income. Various front organizations claiming to be working for social welfare and charity collect these funds. Bank transfers are used but hawala and couriers are common; the latter especially so for operations in India, in the course of which terrorists and couriers are given Indian currency—genuine and fake. Funds are meant for preaching *(dawa)* , social services *(khidmat)* by JuD and jihad. LeT has now had a close association with Dawood Ibrahim, with activities like kidnapping, narcotics smuggling, fake currency and extortion money routed through hawala channels. [10] Pakistan maintains its farcical denial or studied ambiguity about state sponsorship despite all evidence leading to the

doors of the military and the ISI. It provides shelter, support and sustenance to these crown jewels of its foreign policy. Charities in and outside the country, many of which are in the Middle East, have contributed funds to JuD and LeT. The workers openly solicit money—at street corners, in mosques and through advertisements—for the martyrs of jihad in India. Substantial sums come from expatriate Pakistanis in the UK and the Gulf; although the funds may be meant for the JuD's social activities, money is fungible and easily transferred to LeT for jihad.

LeT controls several legitimate businesses, including a very lucrative business of the sale of animal hides after Eid al-Azha, which can number more than a million. Its illegal activities include false trade invoices, counterfeiting, extortion and narcotics trade. Publications, particularly jihadi ones, are sold with an additional mark-up, while Kashmiri carpets exported to the Gulf have their prices marked down, with the difference sent through hawala for use in the jihad.

Narcotics smuggling is particularly lucrative, and with the harvest running as high as $2.5 billion some years ago, some of it has surely added to the ISI's coffers to bolster its terror campaign against India. This is as good a reason to continue the jihad as any other. LeT has been investing in land acquisitions and has opened new offices, more than 1500 in Pakistan. There are dawa model schools and Islamic institutions in Lahore and Muridke where admissions and tuition fees add to the revenue. LeT and JuD workers collect *ushr,* an Islamic land tax to be paid to charity by farmers at the rate of 10 per cent of his produce. LeT may be the strongest such force in Pakistan today but it is not the only one. Others operate similarly in the Federally Administrated Tribal Areas (FATA) and Khyber–Pakhtunkhwa. It would seem that Pakistan is showing signs of having more than one source of revenue collection—state and non-state. From being dependent on state sponsorship and Saudi money, LeT has become increasingly self-reliant. It is freer to pursue its global ideology—to liberate Muslims from prosecution by infidels, identifying India, the US and Israel as the enemies of Islam.

The political wing of LeT, the Markaz Dawa Irshad, renamed Jamaat-ud-Dawa, renamed Idara Khidmat-e-Khalq and reborn yet again in 1996 as the Falah-e-Insaniyat Foundation (FIF), the charity wing of JuD. This NGO runs 200 mainstream dawa schools, eleven madrassas, two science colleges, a fleet of 283 ambulances in 242 cities, mobile clinics and blood banks. FIF has 245 professors, more than 500 doctors and 1942 paramedical staff. It runs seven hospitals in six cities and thirty-five across-the-board social services in 260 cities. It will soon have its own private fire tenders in Karachi and plans to provide similar services in Multan, Faisalabad, Hyderabad, Rawalpindi–

Islamabad and Lahore. Its recruits are well-educated, qualified urban professionals. FIF was first noticed when it was among the first to reach POK and the Northern Areas after the earthquake in 2005. Similarly, it was the first agency to reach the site of the recent crash of a Pakistan International Airlines aircraft near Abbottabad. [11] Some years ago, the Punjab government in Pakistan granted about $9.3 million to JuD, which was banned following a UN decision to list it as a terrorist organization. When questioned by Sherry Rehman, a Pakistan Peoples Party member of Parliament, the government response was that since the ban its functioning had been taken over by the government, making it a social welfare organization.

LeT has a global agenda and involvement. It began with activities in Jammu and Kashmir that spread to the rest of India from the 1990s and continue till today. It was associated with the Haqqani Network terror attack on the Indian Embassy in Kabul that killed fifty-eight persons in July 2008. In November that year, an attack that lasted three days in Mumbai killed 166 persons. LeT and the Taliban along with other Pakistani terror organizations attacked a US outpost at Wanat, Nuristan, in July 2008. Their training camps were an attractive destination for shelter and training for several American, Canadian, British, French and Australian Muslims. The Virginia Paintball Group from America, Omar Khayyam from the UK and Willie Brigitte from France were trained in LeT camps in Pakistan.

After the US invasion of Afghanistan in 2001, the organization quickly became an eager supporter of Al-Qaeda, providing its operatives shelter, escape routes and even training. They allowed their own cadres to freelance with Al-Qaeda; this allowed LeT and, more importantly, the Pakistanis, credible deniability with the Americans. Abu Zubeida, one of Al-Qaeda's senior representatives, was hiding in an LeT safe house at the time of his arrest.

The JuD–LeT combine is stronger than Al-Qaeda and Islamic State. It was conceived as an organization that can run a modern state, unlike Al-Qaeda. Given its resources, reach and scale of activities, it is very much like the terror shell states that Loretta Napoleoni refers to in her book *Modern Jihad: Tracing the Dollars Behind the Terror Networks* . [12] Al-Qaeda and Islamic State may talk of a global agenda and plan to replace the existing systems with an Islamic system but neither of them can hold territory, nor do they have the expertise and experienced workers to do so. JuD, on the other hand, has professional staff that are trained in statecraft. It has penetrated virtually all government departments, including the armed forces, at different levels and influenced municipal workers. JuD is resilient enough to bounce back after any adversity and the population sees it as a social welfare organization.

Much of this ability to regroup is attributable to the coddling of these sectarian, militant and terrorist groups that are now prevalent in Pakistan. The army does it for what it sees as strategic options while politicians do it for political survival. The common person sees FIF as a social welfare organization, and any stern action against it will not only be unpopular among the people but the jihadis may well turn against the state and accuse it of betraying the cause of jihad and therefore Islam. The result has been that the state has ceded ground to these groups. It has become a state within a state and it is not very far from the Radcliffe Line that separates India and Pakistan.

A few years ago, there were reports and assessments that Pakistan-based terror groups had begun to use Indian banks. Indian associates were said to be facilitating their Pakistani contacts and operating about 350 accounts in the State Bank of India, Punjab National Bank, ICICI and other banks. Bank robberies to augment terror funds by the self-styled Indian Mujahideen took place in 2013. Yaseen Bhatkal, the India operations chief of the Indian Mujahideen, admitted to having received ₹4,00,000 by hawala transfer around the time of the Mumbai terror attacks on 26 November 2008. It has been suspected that terror groups work with some NGOs that do not file details of foreign remittances received by them, leading to the suspicion that they may be involved in terror finance and money laundering.

Given the state of India–Pakistan relations, it is unrealistic to hope that Pakistan will extend any cooperation to control and eradicate the threat of terrorism emanating from its own soil. On the contrary, when India warned Pakistan of a likely terror attack on Musharraf in 2004, they received two ‘thank you notes’ in the form of terror attacks in Mumbai in July 2006 and November 2008. When the Paris bombings took place in 2015, there was immediate cooperation among all European nations, and Belgian authorities arrested the suspects. This kind of cooperation from Pakistan, where India is virtually asking them to confess to murder, is unthinkable. For Pakistan, LeT’s goals in India are similar to those of its army, which makes the organization their prime jihadi force against India.

Over time, relations between the army and terrorist organizations have strengthened as they both recruit from the same source—the Punjab and the north-west regions of Pakistan; this has evolved into mutual empathy and camaraderie. India has to be prepared for the long haul and things can improve only if Pakistan realizes it is in a deadly cul-de-sac. It needs to take the tough road back for its own survival. Sanctions, censures and penal clauses to ensure funds are cut off may not work with Pakistan any more. Only a realization that a future peace dividend may ultimately be higher than the present war dividend

might lead to a change in policy. As long as Pakistan has the support of China and convenient ambivalence of the US, this change is unlikely. That being so, some pain as a result of its terror activities might have some effect.

Pioneers of the Privatization of Terror Funding Elsewhere, terrorists and insurgents were even more adventurous in raising funds. As early as 1968, hijackers from the Popular Front for the Liberation of Palestine (PLFP) hijacked an El Al aircraft from Rome to Tel Aviv and diverted it to Algeria. The organization gained instant notoriety and efficacy among Arab armed groups; airlines began to pay insurance premium to PFLP, and regular extortion in this fashion became a lucrative industry with the spoils divided equitably among various PLO members, including PFLP. This extended to the oil industry, when commandoes led by Illich Ramirez Sanchez (Carlos) seized the Organisation of the Petroleum Exporting Countries (OPEC) headquarters in Vienna in December 1975. OPEC agreed to pay $100 million as protection money with an additional $120 million paid into the chairman's secret fund.

A few weeks later, in January 1976, an even more audacious attack took place in Beirut. Commandos of Al-Fatah and the Christian Phalange sealed the business district in the city. They then went about trying to access the vaults of the British Bank of the Middle East through the walls of the adjoining Catholic Capuchin Church. When they dug through and reached the vault, they found they could not open it. Desperate, they sought the assistance of demolition experts from the Corsican mafia and struck a deal. It was only then that they could lay their hands on the gold bullion, stock certificates, jewellery and bags of currency notes. The booty was distributed between Al-Fatah, the Phalange and the Corsicans. The Corsicans airlifted their wealth away, the Phalange splurged on weapons and the PLO invested their money abroad. Yasser Arafat and two others took their shares to Switzerland, it is believed, and deposited them in various Swiss accounts. [13]

The business of collusion between criminals and terrorists began many decades ago, with terrorists taking assistance from criminals on occasion or acting on their own. When the PLO ran their drug smuggling racket from the Bekaa valley in Lebanon, they would charge a tax for the cultivation and profits would flow all the way up to Crown Prince Hassan of Jordan, Rifaat al-Assad, the brother of Hafez Assad and the Maronite Christians led by Bashir Gemayal,

all fiercely opposed to the PLO. This did not seem to bother Arafat as he continued to amass his wealth.

Terrorist activity had found new bases and pastures in the 1980s in South America. The two trijunctions of Argentina, Brazil and Paraguay and of Chile, Bolivia and Peru would normally be unlikely destinations for terrorists from the Middle East. The latter three are the world's largest cocaine-producing countries and Argentina provides the precursor chemical for processing cocaine and a transit route. [14] The trijunctions are poorly administered, with slack taxation laws and weak enforcement systems and are also tourist destinations. Over time, given the hospitality of these regions, enterprising crime syndicates from Colombia, Brazil, China, Lebanon, Italy, Russia, Nigeria, Ivory Coast and Ghana made their way to the triborder. [15] Illegal trade from Ciudad del Este in Paraguay was estimated to be between $10 billion to $15 billion a few years ago, making it the third largest 'commercial centre' after Hong Kong and Miami.

Many Lebanese who fled the civil wars in their country between 1975 and 1989 and Iranians who fled the Islamic Revolution in 1979 settled in these areas. Hezbollah and the Iranian clergy followed them there. The regions became safe havens for those fleeing and those recruiting from among them. Illegal trade, including money laundering and smuggling, became the main economic occupation of growing numbers of immigrants. Mosques and cultural centres covertly run by the Iranian government helped in the recruitment and running of the illegal businesses from among the over eight million immigrants who rake in tens of millions of dollars. While Iran was seeking Iranian and Islamic influence in Latin America, Hezbollah and Hamas concentrated on terrorist–criminal activity. Nearly $150 billion was laundered in the triborder area in the 1990s. With a current average of $12 billion annually, the region has become the destination of various triads, and the Japanese Yakuza and mafia gangs as well. Terror and crime happily coexist.

In the 1990s, Pakistan resorted to private trading in terror when it sold Stinger missiles to Chechen fighters at throwaway prices. A partnership in the narcotics trade in Afghanistan helped finance terror groups all over Central Asia. A joint collaboration between the Taliban and the ISI brought Uighur fighters from Xinjiang to Afghanistan for training. It is ironic that under William Casey's encouragement in the 1980s, the Pakistanis were trying to extend the Afghan jihad into Soviet Central Asia, and in the 1990s the Uighurs thought they could have a joint Islamic front or a caliphate with the Uzbeks, Tajiks and Kyrgyz Muslims aimed at the Chinese.

An interesting nugget about Osama bin Laden relates to the American import of gum arabica from Sudan. Osama was a businessman and a pretty astute one at

that; when he was not plotting against Satan. Even before he started bankrolling global terror, he held a diversified and international portfolio. Thrown out of Afghanistan on US request, Osama settled down in Sudan where he quickly acquired 70 per cent shares of a company called Gum Arabica Limited. The US was the largest importer of gum arabica under a special pricing arrangement and the company had 80 per cent monopoly on its production. In 1988, the Clinton administration decided that the time had come to impose sanctions on the Sudanese regime for its various misdemeanours. The US industry was alarmed at the prospect and ensured that the gum was excluded from the sanctions list. The newspaper industry needed it for making ink stick to presses. It was also used in drinks to prevent ingredients from settling at the bottom of cans and to form an invisible coating around sweets and medical pills to keep them fresh. The sanctions would have meant it had to be imported from France at a much higher cost. This was pure economics but there was clearly also a linkage between the Western economy and the New Economy of Terror. This exemption by the US did not prevent Al-Qaeda bomb attacks on US embassies in Nairobi and Dar es Salaam in August 1998, which killed hundreds. Tragically, in 1997, a self-proclaimed Al-Qaeda walk-in at the US Embassy in Nairobi had warned of multiple attacks in Africa. No one believed him.

Mafia and Terrorism Organized crime, like the mafia or drug cartels, uses terror to maintain discipline and make money. What separates the criminal from the terrorist is that the former concentrates on making money; the latter has an ideology and professed political or religious aims. For Islamic terrorists, whose goal is to impose Islam globally, using criminal tactics is a justified means to an end. Political or religious terrorists use violence to attract attention, garner recruits, raise finances and get concessions from the government they are opposing.

Quite often, political resistance movements degenerate into organized crime. The mafia was a resistance movement in Italy and it migrated to the US. Later versions of the Irish Republican Army were similarly criminals under political cover. The Taliban hovers between the status of an organization with religious goals and drug traffickers. A large number seem to feel that it is much more beneficial to be a drug trafficker than a jihadi. Sections of left-wing extremists in India and insurgent groups in the north-east and Jammu and Kashmir have similarly resorted to criminal activity (kidnapping and extortion) as a means of livelihood. India was able to control Sikh terrorism in the Punjab in the 1980s

livelihood. India was able to control Sikh terrorism in the Punjab in the 1980s through some very basic policing methods. This consisted of hard ground intelligence, backed by developing informers and double agents. They would also target key figures of the terrorist organization and its criminal activities through which they raised funds.

The latest entrant to this world of the crime–terror nexus has been Islamic State and Emni, its intelligence apparatus. Islamic State used Emni for paying its agents and informers and for its extensive propaganda efforts, including those on the web. Money was raised from the sale of oil, slave trade, grain storages, bank robberies and the sale of antiques. People living on Islamic State territory were also taxed. Emni was never short of funds and its high-level operatives like Abdelhamid Abbaaoud, who had been involved in the terror attacks at the Bataclan theatre in November 2015 in Paris, had no shortage of funds for his travels to Europe. Islamic State would pay as much as 50,000 euro to those willing to carry out terror attacks. Money was usually sent to destinations via Western Union or Moneygram from Gaziantep (Turkey) or Istanbul and was not carried physically. Emni members in Turkey then transferred funds in small amounts.

Banking on Terror The Afghan jihad was a trailblazer for the Sunni world. It came after the Iranian Islamic Revolution and the Siege of Mecca by Sunni radicals, both of which left the Wahhabi Sunni royals of Saudi Arabia very nervous. Pakistan, unable to secure dominance over the Afghans in 1992, invented the Taliban even as Al-Qaeda incubated in the region. Elsewhere, the West was busy in Iraq after their old friend Saddam Hussein had foolishly invaded Kuwait, sending the Saudis into further panic. Not satisfied with their pre-ordained victory over Saddam, the West turned its attention to decimating Yugoslavia, creating several new countries in the Balkans. Hubris was evident, but the West had not anticipated the next decade. The turbulence of the twenty-first century that followed, also mainly in the Muslim world, has since shown no signs of subsiding.

Although the Soviets left Afghanistan, the terror infrastructures like the banks and financial institutions used during that period remained intact. Afghan poppy and its processing factories in Pakistan were also intact. As Pakistan turned its attention to India, Prime Minister Nawaz Sharif alleged that Pakistan's army chief General Aslam Beg and ISI Lieutenant General Asad Durrani approached for permission to smuggle heroin to raise money for the covert campaign in

for permission to smuggle heroin to raise money for the covert campaign in Kashmir. Sharif asserted he had declined permission and both generals denied this claim but this could have been intelligence short-hand for saying that the prime minister had been informed. The global narcotics trade those days was estimated to be worth $500 billion, of which Afghanistan accounted for $200 billion. It provided huge profits and a strategic advantage to the ISI. The proportion is much higher now for Afghanistan, from where almost 90 per cent of heroin comes today. Narcotics and arms smuggling from Pakistan into India organized by the ISI increased sharply in the 1990s, rising from thirty-three rifles and ninety-two pistols seized in 1987 to the confiscation of 16,772 Kalashnikovs in 1997.

As with the tactics of terror, so with the means to spread it. Pakistan-sponsored terror groups in India superseded the Afghan jihad in the 1990s and the Taliban and Al-Qaeda in Afghanistan. Eventually, terror sponsored by Pakistan began to turn towards its creator as well. Soon enough, Al-Qaeda and Islamic State and their clones appeared in the Middle East and in Sudan, Nigeria, and Libya. BCCI, which had provided the financial muscle in the 1980s, had disappeared but many other institutions took its place to provide crucial financial support to Islamist terror.

A few years before BCCI was forcibly closed in 1991, three other banks sprang up in 1987 and 1988; these would play a prominent part in financing the spread of Islamist terrorism from the 1990s onwards. The first was Al-Rajhi Bank, founded in 1987, with an extensive presence in Saudi Arabia as well as international subsidiaries in offshore financial centres. Al-Qaeda had used it to transfer funds for 9/11 and later the Bali and Madrid attacks. The bank had contacts with some Islamic charities like the World Muslim League, International Islamic Relief Organization and Al-Haramain Islamic Foundation.

Egypt-born Youssef Nada, a financial strategist for the Muslim Brotherhood, established Al-Taqwa (literally piety, fear of Allah) Bank in the Bahamas. A naturalized Italian, there was an air of mystery about Nada. At one stage, he also had Tunisian nationality and maybe his name was actually a pseudonym. ‘Nada’ means ‘nothing’ in Spanish. It is certain, though that, Nada had strong Islamic Brotherhood links. His equally mysterious associate, Ghalib Himmat, was a member of the Syrian Muslim Brotherhood and stayed with Nada in his house in Campione, Switzerland. The Italian anti-terror agency General Investigations and its Special Operations Division described Al-Taqwa in 1988 as the most important financial institution of the Muslim Brotherhood and Islamist terror organizations. There is no doubt that Al-Taqwa was created for enhancing the activities of the Brotherhood. The bank has also been a key money launderer for Al-Qaeda and has handled funds for Hamas, the Algerian–Islamic Front and the

Armed Islamic Group. It used the Qatar Charitable Society to route funds for the 1998 bombing of the US embassies in Kenya and Tanzania, and also funded the Al-Qaeda-backed Chechen terrorists. It even gave financial support to the Islamic Cultural Centre in Milan and the Islamic Centre in Geneva.'

Al-Barakaat Bank is based in Dubai, which is a major offshore banking centre and free trade zone. It is one of the three countries along with Pakistan and Saudi Arabia that recognized the Taliban. Established in 1989 by Ahmed Nour Jimale, a Somalian financier and close friend of Osama bin Laden, Al-Barakaat is considered to have been one of the main sources of funds and money transfers for Al-Qaeda. Assets of both banks, Al-Taqwa and Al-Barakaat, along with their associated organizations were frozen by the US government in November 2001.

Saudi billionaire Khaled bin Mahfouz was the chairman of the National Commercial Bank of Saudi Arabia. Craig Unger, in his book *House of Bush, House of Saud*, claims that bin Mahfouz donated over $2,70,000 to Al-Qaeda at the request of Osama's brother, Salem. A subsequent audit of the bank revealed that for ten years the bank's *zakat* committee had transferred $74 million to Islamic charities, which was then siphoned off to Al-Qaeda.

Terrorists and extremists have also discovered a new way of earning from website advertisements. A typical commercial arrangement on the Internet is that an advertisement appearing alongside a YouTube video will earn money for every 1000 views. An extremist video could easily land a million hits and advertisements from whichever company was featured alongside, which would end up paying money to these extremist sites. In the UK, the government suspended its YouTube advertising pending assurances from Google that taxpayer money was not reaching terrorists and extremists. At one time, a company's advertisements appeared on the now-suspended site www.eramuslim.com , while other companies appeared on the also suspended site www.sunnah-online.com , associated with a preacher banned in the UK and a terrorist sentenced to life imprisonment. An automotive company went into overdrive in 2015 when its well-manicured advertisement appeared on a YouTube video called 'Beautiful Nasheed'. A few seconds into the video, a prominent Islamic State flag appeared along with a song praising jihad. Brand advertising was a $200 billion activity in 2016, providing tremendous opportunities to terrorists and hate sites to skim off some money.

Whitewashing Dirty Money

Drug dealers sell cocaine and heroin in small amounts and even terrorist organizations receive cash in small denominations. Both need to put this money to use elsewhere in other

currencies. The difference is that a million dollars worth of cocaine weigh 20 kg but the million dollars themselves weigh an estimated 115 kg. It is far easier to transport cocaine than money. Besides, money has to be laundered and made respectable. Apart from drug traffickers and terrorists who need to ‘clean’ laundered money, corrupt officials and politicians, con artists, mobsters and fraudsters need clean money to become legitimate.

The first step is to deposit small and varying but below-the-radar sums of money in different bank accounts over a period of time via different individuals. The next step is doing bank-to-bank transfers and wire transfers between different accounts in various countries where deposits and withdrawals are made; the currency is changed and high-value items like jewellery, real estate, luxury cars, yachts and race horses are purchased, thereby creating assets to be disposed of later. The final stage is to invest the money by selling the asset. The process is complicated, involving at times hundreds of accounts in fake names and diverse banks and transfers to shell companies for payments based on false documentation for business never conducted. These shell companies then funnel money through legitimate channels for legitimate investment. Some years ago, estimates of the amount of money laundered annually varied between $500 billion and $1 trillion.

Overseas banks operating through ‘offshore accounts’ in places like the Bahamas, Bahrain, the Cayman Islands, Hong Kong, Antilles, Panama and Singapore are available for these services. According to a report in 2015, British criminals favoured ten countries for laundering their money—with Nigeria at No. 10, UAE at No. 1 and Pakistan, with all its terrorist organizations, at No. 2. According to the report, Pakistan was particularly attractive because of its lack of good governance, weak regulations, absence of rule of law and weak financial institutions and legislation. [16]

The hawala system for deposits and withdrawals that operates outside government control is a favourite of terrorists, smugglers and other criminals, as it leaves no paper trail. ‘Hawala’ literally means trust or transfer in Arabic; the system involves cash being transferred across borders in different currencies without the money actually traveling anywhere at all. It is commonly used in the Middle East, North Africa, the Horn of Africa, India, Pakistan and Afghanistan. Hawala offers a lucrative way for terrorists to exploit local resources: opium in Afghanistan and Pakistan, mining in Somalia and oil extraction in Iraq and Syria. These commodities are then sold on the black market and the money is transferred though hawala, which is used to fund arms purchases and sustenance.

The nexus between crime and terror is all too obvious here.

The ingenuity and simplicity of some money laundering operations is breathtaking. A firm pretends to lend money to another, say these are Russian businesses, with banks underwriting the sums. The borrowing company 'defaults' on the repayment of the loan. Judges are called in who then certify that the 'debt' is authentic, grant permission to the Russian business houses to send the money to an account in a bank in Moldova. From there, it is routed, say, to Latvia and various other destinations. In 2014, the Russian Land Bank transferred $9.7 billion to Moldova's Moldindconbank and from there to Trasta Komercbanks in Riga. Investigations suggest that in four years, from 2010 to 2014, at least $20 billion or even as much as $80 billion were moved out of Russia. The money was suspected to be either stolen or changed into black money. The scale of the operation was massive and about 500 people were part of it, including oligarchs and bankers at the Russian end. Ninety-six countries and a network of anonymously owned firms, many of them registered with the Companies House in London, were involved. Many British high street banks or their branches in Hong Kong like HSBC and the Royal Bank of Scotland had handled transactions worth millions, as had banks like Citibank and Bank of America.

Out of 70,000 banking transactions, 1920 took place in the UK and 373 in the US. A number of British shell companies and many owned by anonymous Ukrainians received these funds. One such company, Seabon Limited, filed its accounts in 2013 saying its income was one British pound. It then transacted business worth $9 billion and disappeared in 2016. This was also money rolling into the British economy for the conspicuous consumption of diamonds from Bond Street or chandeliers from a Chelsea boutique. Trasta, the Latvian bank, was closed in 2016 while Moldova went into a domestic political crisis. The investigations and allegations continue. This illustrates the complexity and scale of criminality that only finds its ultimate use in further criminality and terror.

According to *Time* magazine, among the world's ten best, or worst, individual money launderers is Dawood Ibrahim, ranked at No. 4, and beaten to the top position by Ferdinand Marcos (listed at No. 2 among the most corrupt leaders) for laundering $5 billion to $10 billion. Dawood is alleged to have laundered between $3 billion to $5 billion substantially through the hawala networks. Accused of being the financier and organizer of the Mumbai serial blasts of 1993 and designated a global terrorist by the US in 2003, Dawood resides in Pakistan and the UAE. His daughter, Mahrukh Ibrahim, married the son of Pakistani cricketer Javed Miandad in 2006 in Karachi.

Pablo Escobar, the cocaine king of Colombia with an estimated personal

income of $9 billion, is also estimated to have laundered $5 billion to $10 billion. It is said that to tie the stacks of cash, Escobar would spend $1000 a month on rubber bands. The cash stored in warehouses had a 10 per cent writeoff to rats. Finally, at the top of the heap was President Suharto, who had amassed phenomenal amounts—*Time* magazine had traced $15 billion stored away in eleven countries. Suharto might have laundered between $15 billion to $35 billion. [17] The four examples mentioned above include two former presidents and two criminals-cum-terrorists. The first two are cases of unlimited greed and the second two have aspects of both greed and violent crime.

Currency Assaults It was Lenin who said that bourgeois society would be destroyed if its money was destroyed. Pakistan took this advice to heart. Every year, the ISI makes about ₹500 crore profit from the counterfeit currency it smuggles into India. This money is also to spread terror in India, which amounts to saying that Indians pay for terror that results in the loss of precious Indian lives. The demonetization of the ₹1000 and ₹500 currency notes in India by the Modi government in November 2016 was aimed at wiping out the counterfeit currency in circulation, at least till the other side started all over again.

The common assumption is that large-scale counterfeiting of currency is a criminal activity and counterfeit notes account for a minuscule amount of the total money in circulation. On the other hand, the international Financial Action Task Force found in 2013 that the Indian rupee was the ninth-most counterfeited currency in terms of its value. The issue was serious and needed action. Figures for circulation, detections and recoveries in India remain low. Only 16 out of 250 fake notes in circulation are detected. Fake currency notes worth ₹400 crore remain in circulation and 250 in every million notes are fake, according to a 2015 joint study by the Indian Statistical Institute and the National Investigation Agency.

One of the reasons why the US treasury redesigns its notes every few years is because of the distribution of counterfeit dollars through drug money laundering systems and by anti-US states and groups like the Hezbollah and Chechen insurgents. A crime syndicate in the Netherlands used a Xerox DocuColor digital press to print $100 notes and was able to print $300 million in two weeks. Historically, state powers have used counterfeit currency as a weapon to destabilize enemy countries. The Persians, Greeks and Romans did it; so did the

Chinese, centuries ago. Today and every year, authorities seize counterfeit Euro coins and millions of dollars. In America, Unionist soldiers circulated counterfeit Confederacy notes during the Civil War. Alarmed at the chaos, President Lincoln released a new federally issued dollar—the greenback—in 1863. Lincoln's last act on the day of his assassination in 1865 was the creation of the US Secret Service to protect the greenback from forgery. [18] British covert operations forged the reichsmark in the First World War to undermine Kaiser Wilhelm. The hyperinflation that followed caused 1 trillion Weimar Republic marks to be worth 1 US dollar in 1923. One of Hitler's biggest economic warfare projects was to forge the British pound and American dollar to pay spies and agents as well as to destroy the banking systems of these countries. Operation Bernhard enlisted 144 Jewish master artists, engravers and others from various concentration camps and put them in a maximum-security concentration camp near Berlin. They were well fed, given time off and allowed daily exercise. Except, of course, a failure to produce quality notes meant certain death.

In 1953, a clandestine operation consisted of sending forged notes and coins via balloons into Czechoslovakia. The French, and later the Americans, tried forged notes in Vietnam and Laos to undermine insurgencies. The East German intelligence agency Stasi was long suspected to have supplied the Iranian regime with machinery and equipment to forge US dollars. However, a search of the archives after 1990 did not reveal any evidence. Markus Wolf, the Stasi chief until the reunification of Germany, did allude to the agency's forgery operations conducted from a top-secret security compound in Berlin. The North Koreans were forging superb quality $100 and $50 as early as the 1970s. Ships flying Panamian flags would carry this precious cargo—later known as 'Supernotes'—from China to Newark Port.

After the collapse of the Soviet Union, the looting of communist treasuries, banks and other financial institutions became kosher. Planeloads of Russians and ex-Soviet apparatchiks would arrive in London, Vienna and other European cites carrying genuine dollar notes along with superbly forged 'Supernotes'. Chechen, Kazakh and other mafias organized airlifts that lasted well into the middle of the decade. Russia became impoverished but the oligarchs had struck out; the mafia found it easy to launder this wealth through banks, jewellery, gold and silver along with counterfeit money.

The 1990s saw a surge in counterfeiting activity, presumably one of the many consequences of liberalization and globalization. With the spate of insurgencies and terrorism in the 1990s, intelligence agencies assessed that there were strong ties between local, regional and global terrorism. Further, that terrorism or

insurgencies were linked to the counterfeiting of money by governments and criminals, which often acted together. Discoveries about such crimes, their linkages with terrorists and assistance from other states and suppression of this intelligence deliberately sounds like a bizarre story-line. However, it is true and this is how it happened sometimes.

Money is an essential part of any destabilization effort. Throughout history, empires and individuals have used counterfeit currency to either try and destabilize an opponent or because of plain criminality and greed. In present times, terrorists and insurgents too have tried to use it as a weapon against the state or to finance terror. However, at best, forgeries by themselves have only led to counterfeit victories and success. This activity is not likely to end, whatever be the rate of success or failure. Greed, thirst for power or suspicions about the other or all three combined will ensure that. It will remain on the watch list of every intelligence agency.

If weapons are the muscles, foot soldiers the limbs and ideology the mind, then money is the heart of any terrorist organization. States normally go for the more visible and dramatic solutions through armed might and gizmos. No counter-terror effort will succeed, however, without capturing the heart.

Following the money is exceedingly difficult and international banks and financial institutions are beginning to see this menace for what it is. Terrorism is meant to terrorize the money, as it were; the aim of the terrorist is to destroy the ideology of the dollar and what it signifies. Terrorism is about money and has always been a business. It has cost the Americans $5 trillion. But the issue is where did the trillions go? Into whose pockets?

Globalization and new technology boosted terrorism as much as the economies of some countries. The terror economy was estimated, a decade ago, to be worth $1.5 trillion, larger than the GDP of the UK and a very useful infusion of funds into European and American economies. The net worth of the terror economy and the criminal product would only have increased in the last decade. Attempts to freeze doubtful accounts have been slow and inadequate so far, partly because some terror outfits remain politically useful for some states some of the time. The tendency of many states to build high walls and retire into their fortresses and to then glower at the rest of the world will not do. No country, not even the US, can fight this battle alone. It can no longer be America First.

PART III

WHAT LIES AHEAD

10

Known by Their Failures

‘TO WORK IN INTELLIGENCE IS TO LIVE WITH PERPETUAL FAILURE’ —A former leading British secret service officer [1]

However much intelligence officers may dislike it, intelligence failure is a frequent and often justified point of criticism. In India, there is a lack of appreciation that intelligence agencies are the sword arms of the nation (not the government) in the furtherance of its foreign security interests and protection. It is during times of peace and not when a crisis is brewing that intelligence agencies hone their skills, develop their sources and prepare for the future. Ironically, it is during such perceived times of normalcy that they suffer from benign neglect. Posts remain unsanctioned or unfilled, purchase of new equipment is postponed and upgrading it is frowned upon, all because the powers that be assess a threat to have passed. Since there are shortages, training is neglected. Yet, when an incident takes place, intelligence agencies become useful whipping boys for politicians and others as they assess their political fortunes.

There are different kinds of intelligence failures. One is the complete lack of intelligence on a particular issue, event or country. This may be because of a lack of assets to provide this intelligence or a lack of access. Again, this may be because the intelligence agency has no presence in the target country or is unable to gain access despite having a presence. The second kind of failure arises from wrong analysis or assessment or even over-analysis of a report, especially when the analysts subconsciously let their own assumptions determine the assessments. The third is a lack of coordination within the system, and this is the most common. Fourth, reports may be available but it may not be possible to translate or decipher them. Fifth, a report could be available and actionable but be misinterpreted by the recipient. Sixth, the agency is politicized and the recipient expects to receive only those reports that suit policy. Finally, the agency itself is incompetent in all its aspects, is understaffed or inappropriately staffed, under-equipped or poorly motivated. Quite often, an intelligence report is as good as its consumer. Therefore, failure of intelligence has to be carefully defined before the agency is condemned. Even the best can be caught by surprise, because anticipating the future by remembering the past and judging

the present is one of the most difficult things to achieve.

There is a general misconception of what intelligence can achieve and therefore what really constitutes failure. As long as countries fought battles between their militaries and the population at large was not involved, intelligence remained a largely hidden pursuit. The real change in perceptions and expectations came after terrorism went global and technology came into play. Common citizens got involved not only in protecting the state but also became victims of the threat. This meant evolving new strategic security doctrines and intelligence capabilities. For India, facing two hostile nuclear-armed neighbours with various insurgencies and terror groups within and the exploding expectations of a growing young population, it was going to be a multi-front simultaneous battle fought with limited resources. Increasingly, the state began to expect predictive and pre-emptive intelligence.

One of the most difficult tasks is being able to predict surprises—high-impact and low-probability attacks or high-probability, low-impact attacks. Acquiring advance pre-emptive intelligence about traditional military threats is comparatively easy, given the means of surveillance and imagery to amplify the human collection and assessment effort. Preventing a terror attack on every occasion is impossible. Analytical skill requires that there is no ambiguity and assessments are made based on facts as received, knowing fully well that these facts may be distorted at times and also knowing that the enemy/adversary is up to no good all the time. Quite often, intelligence failures are not just because of incompetence or neglect by agencies. These disasters happen because the users of intelligence are incompetent, suspicious or afraid of taking a decision. They are as much a part of the intelligence cycle as the producers. [2] They can drive the activity that produces quality intelligence, but this is not enough—equally important is the ability to disseminate intelligence effectively. Stalin had the best intelligence about Hitler's plan to invade the Soviet Union, yet he refused to believe it. The other is the lack of coordination. which can easily happen if there are a large number of intelligence organizations vying for the same turf. This leads to feuds and rivalries. The Americans missed the signs of an impending disaster at Pearl Harbor because although plenty of indicators were available from different departments there was no one to put it together. The Yom Kippur War happened because the Israelis became over-confident and misread the adversary's intentions. In India, the army continued to withdraw forces from the heights of Kargil every winter despite intelligence that there was suspicious movement across the LoC; we disregarded the fact that the enemy had intentions and capabilities to climb those ridges.

In the age of the information revolution and high technology—which are

easily available to terrorists—intelligence blunders can be very expensive. Information overload is a problem and there is no definition of how much is enough or how much is too much.

The biggest problem is fixing policy based on predictions of the future by extrapolating current trends—by not accepting the likelihood of changes and discontinuities or not thinking like the adversary would in a given situation. There can be no mirror imaging. The business school parable explains this phenomenon the best. Frogs if thrown into hot water will jump out immediately, but if the water heats slowly, they get comfortable and do not notice the danger until it is too late. Crises that have long gestation periods are hard to detect. Ultimately, intelligence analysis is a human exercise. Error factors and inaccuracies have to be built in to it. Perfection is not attainable. With time, analysts and policymakers both get accustomed and comfortable to a certain way of life and new findings are frowned upon. [3]

The following are some cases where frogs became acclimatized to slowly rising temperatures and did not notice the changes around them.

Sriperumbudur, 21 May 1991

Rajiv Gandhi was on his election tour in May 1991. He was to pilot the aircraft from Visakhapatnam to Chennai that morning. Unfortunately, the aircraft developed some trouble and it was feared that he would miss the event at Sriperumbudur later that evening. As it happened, engineers were able to repair the aircraft and he took off towards his tragic destiny. Prabhakaran's LTTE had already been sending out messages such as 'Rajiv Gandhi *avarunde mandalai addipodalam'*, '*Dump pannidungo'* and '*Maranai vechidungo'* (Blow Rajiv Gandhi's head off. Eliminate him. 'Kill him.) [4] The plot was already rolling and it was a question of opportunity. Neena Gopal, author of *The Assassination of Rajiv Gandhi,* was the last journalist who interviewed him in his car as they drove to the election rally at Sriperumbudur, and was only yards behind him when he succumbed to Dhanu's suicide bomb.

The political mantle that Rajiv Gandhi inherited from his mother came with a threat to his life from the Sikh terrorists who had assassinated Indira Gandhi in 1984. He faced a new threat from Tamil groups, especially Prabahakaran and the LTTE, who were particularly incensed by the manner in which they had been treated by Rajiv Gandhi and his advisers after the 1987 India–Sri Lanka Accord. As long as Rajiv Gandhi was prime minister he had the protection of the Special Protection Group (SPG), but once he lost in 1989, his successor V.P. Singh became churlish and petty. He hid behind sanctimonious pronouncements of not spending taxpayer money to protect a former prime minister who, according to

spending taxpayer money to protect a former prime minister who, according to him, was not under any threat. (V.P. Singh later had no qualms in having the SPG protect him all the time he was under treatment in London.) Nevertheless, the R&AW's assessment was that the threat to Rajiv Gandhi from Sikh terrorists and the LTTE continued, but this had little resonance on Raisina Hill. The powers-that-be had convinced themselves that the accord was a guarantor of Rajiv Gandhi's security.

A combination of factors led to the tragedy. Rajiv Gandhi was a victim of the petty political ego of his successor and his officers; and the R&AW's threat assessments were treated with considerable disdain. [5] Even the Chandrashekhar government that succeeded V.P. Singh could not rectify this. Clearly, political convenience had taken precedence over professional intelligence assessment. Security arrangements at the Sriperumbudur rally that night were extremely slack, which allowed the terrorists to sneak in close enough to Rajiv and pull the belt trigger. In addition, there was little coordination among the intelligence agencies. The Intelligence Bureau had better capabilities to intercept the LTTE's messages but no ability to break the codes. The R&AW was not intercepting LTTE messages in Tamil Nadu but had better code-breaking capabilities. However, the two did not share the messages and their own capabilities.

A former prime minister had to be assassinated before SPG security cover was extended to all former prime ministers and their families.

Kargil, 1999

Sometime after the surrender of the Pakistani Army in Dhaka in December 1971, General Sam Manekshaw (later Field Marshall) wrote to Rameshwar Nath Kao, the head of the R&AW, expressing his appreciation for the work done by the organization in ensuring victory in the war. It was a warm letter and Kao showed it to Indira Gandhi. Her observation was very perceptive. 'The General is generous in his praise because he won the war.' The implication of this comment was obvious. Had things gone wrong, all blame would have shifted to intelligence. [6]

Twenty-eight years later, the Indian Army was caught unprepared when it suddenly discovered that the Pakistani Army had scaled the Kargil heights and was threatening not only India's links with Leh but also Srinagar. India's young officers and soldiers fought back with valour and determination; the air force pitched in and the Bofors guns helped. We won the day but there was a clamour for answers amidst the allegations of the failure of intelligence and military command about why the government was taken by surprise. The Kargil Review Committee (KRC) was constituted in July 1999. It consisted of four honourable

men, K. Subrahmanyam, a former chairman of the Joint Intelligence Committee and India's foremost strategic expert, Lieutenant General (Retd) K.K. Hazari, B.G. Verghese, a well-known journalist who had been Indira Gandhi's information adviser from 1966–69, and Satish Chandra, secretary, National Security Council Secretariat (NSCS), who was also designated as member secretary. Unfortunately, there was no representation of the intelligence community on this panel who could have listened to the intelligence perspective with empathy.

The committee met its deadlines and a detailed report with recommendations was given to Parliament in February 2000. Inevitably, the KRC had fallen into the familiar trap where hindsight is 20/20, when it becomes easy to know the right course of action after an event but it is hard to predict the future. Its summary had phrases like 'No specific indicators of a likely major attack in the Kargil sector . . .', 'The critical failure in intelligence was related to the absence of any information on the induction and de-induction of battalions. . .', 'lack of accurate data . . . ' No one ever explained why an 80 per cent coverage of the ORBAT was not considered adequate, nor why the non-location of some Northern Light Infantry battalions altered the army's plans when the army did not in fact seem to have any plans.

The KRC made several suggestions for improving the intelligence and security systems in the country, which the Intelligence Task Force later elaborated on. Intelligence officers felt that the KRC had been unfair to them but like any disciplined force the R&AW and Intelligence Bureau accepted the reports. The issue eventually disappeared from the scanner as everyone settled down to the business of reorganizing and refurbishing.

A few years later, General V.P. Malik, Chief of Army Staff during the Kargil War, authored a book, *Kargil: From Surprise to Victory,* in which he asserted that Pakistan had succeeded in its intrusions because of major deficiencies 'in our system of collecting, reporting, collating and assessing intelligence'. Intelligence agencies, commentators and intrepid journalists reacted sharply. First off the mark was an agitated B. Raman, a member of the Intelligence Task Force and a veteran of the intelligence world. In his response to the general's book, Raman had a few questions and several comments. [7] The common feeling was that while the general was entitled to seek vindication for himself and the army, it should not have been at the expense of other agencies that had gamely allowed themselves once again to be treated as whipping boys in the larger national interest. Raman's first observation, well known even to the Pakistanis—and that is why they took advantage—was that the Indian Army would withdraw from the heights every October and return only the following spring. This

practice of withdrawing troops began only when the army took these posts over from the Border Security Force (BSF) in 1982. Until that year, the BSF used to retain its troops in the Drass sub-sector posts like Marpo La (5353 metres) and Sando (4268 metres) regardless of the temperature in Drass dropping to minus 65 degrees Celsius. This changed policy of withdrawing troops continued even after there were reports in April 1998 that about 350 irregulars from the Pakistani side of the Kargil area had intruded into Olthingthang. [8] Even during the Kargil War, the BSF held its position in Chorbat La during winter and pushed back a Pakistani attack in May 1999; the Indo-Tibetan Border Police too stayed at its post in Dualet Beg Oldi. No wonder Kao is believed to have remarked '. . . General Malik went into a happy sleep during the winter. He is now blaming the intelligence agencies for not preventing him from sleeping.' [9]

It was inexplicable that this withdrawal took place even as the winter of 1998 set in, despite reports of unusual activity across the LoC in the Kargil area. There were authoritative reports from the Intelligence Bureau as early as June 1998 alerting the government at the highest level, as well as reports from the R&AW. Pakistan tested the Indian readiness to respond with ferocious artillery attacks across the LoC in the Kargil area. Seventeen persons were killed in Kargil and India did not respond. The Pakistani Army assumed that India was unlikely to escalate in response to such attacks. There were also reports of remotely piloted photo-reconnaissance vehicles along the Srinagar–Leh highway.

The Intelligence Task Force later asked the NSCS to do an audit of the reports received by the Joint Intelligence Committee and the NSCS from intelligence agencies before the conflict. The results showed that the largest number was from the R&AW, followed by the Intelligence Bureau and the least number of reports was from military intelligence. There were innumerable intelligence inputs between May 1998 and April 1999 and none of these encouraged the army to seek air reconnaissance through the intelligence agencies. The Intelligence Bureau reported mine-laying activities across the LoC in July 1998 while the R&AW reported fresh inductions of Pakistani troops belonging to the 164 Mortar Regiment, 8 Northern Light Infantry and 69 Baloch Regiment that were being given commando training.

Based on these reports, by October 1998 the R&AW had assessed that there was a prospect of a 'limited swift offensive' because of the induction of troops from peacetime locations in Mangla, Gujranwala and Lahore into POK. In February 1999, both the R&AW and Intelligence Bureau gave inputs to the National Security Council about the military build-up across the LoC. [10] This assessment was challenged by the military intelligence, even though the army's Northern Command had assessed that there was a three-fold Pakistani troop

movement in November 1998 compared to the previous year. Vehicular movement had doubled and animal movement had increased nine-fold. [11] The R&AW's assessment of October 1998 that also spoke of increased induction troops into the area was not accepted and the possibility of war was challenged. In its subsequent report in early 1999, the R&AW assessed that the Pakistani Army would continue to maintain an aggressive posture along the LoC. There were thus sufficient indicators that the situation was not normal and ignoring these contributed to what followed. The KRC spent considerable time looking into the reports and discussing them with the R&AW and the Aviation Research Centre between August 1999 and December 2000 as it tried to collect evidence of intelligence failure. Instead, they discovered that the intelligence reports had been ignored by the consumers and this fact was omitted in the final report.

Meanwhile, Indian formations along the LoC noticed heightened Pakistani activity across the Kargil sector. When Colonel Pushpender Singh expressed his worries openly in November 1998 to his division commander, these were ignored. The colonel followed this up with a written assessment seeking the strengthening of forces at three points including Point 4660 that was later known as Tiger Hill. This too was scoffed at all the way up to the Corps Commander. Earlier, Brigadier Surinder Singh, commanding the 121 Brigade, repeatedly gave his threat assessment reports since August 1998, adding his concerns to what the R&AW and Intelligence Bureau were saying. He even listed the areas where he expected the threat to emerge and sought additional resources. He was ignored.

There was no demand made by either the 3 Infantry Division or the XV Corps for air reconnaissance. [12] And when the Indian Army launched Operation Vijay on 26 May, Brigadier Surinder Singh was relieved of his command. As early as 5 August 1998, Defence Minister George Fernandes, speaking in Parliament, said the government had intelligence reports on enhanced Pakistani activity in the Kargil area and that the focus seemed to have shifted from the Kashmir Valley. [13]

There were admittedly intelligence gaps but this is usual as there can never be full coverage everywhere all the time. A great deal also depends on extrapolation, assessments and experienced analysis. There was enough clutter and HUMINT to indicate that something unusual was happening. This was also a failure of the user being unable or unwilling to accept and act on reports that clearly showed unusual activity across the LoC in the period leading up to the Kargil invasion.

Hubris and Failure

Away from Kargil, another crisis was brewing, but then, catastrophic failures do take a long time to come to a head. The

rise of Al-Qaeda and what it ultimately signified was brought home in September 2001.

After the Cold War, and for India even before that, espionage meant dealing with an enemy that had no contours, no territory and followed no conventions. Sir Colin McColl, the British SIS chief at the end of the Cold War, remarked that intelligent and knowledgeable people would wonder why he was still around, implying that his kind of work was over. [14] Manufactured catastrophes do not usually occur only because of a single failure or flaw. They are usually the result of a confluence of errors of judgement, mistakes, oversights and complacencies. These build up to a catastrophe over time.

Arguably, the road to intelligence failure started with the tearing down of the Berlin Wall. Even the impending collapse of the USSR or the fall of the Berlin Wall was not anticipated. Yet, it was described as the End of History and the rise of the New World Order. Nothing of the sort actually happened. The Old World Order was to prove more resilient, and a newer phenomenon had already risen in the shadows of the Afghan jihad. Unprepared as the West was to handle the new threat, there was also an inability to understand 'The Other'. Even as Arab Muslims and others were brought together to fight the 'evil empire' in Afghanistan from bases in Pakistan, other plans were already under way. In the 1980s, the mujahideen for the Afghan jihad were being joined by other Islamists who were surreptitiously moving into the US for their greater ultimate agenda. Osama bin Laden's early trips were mostly to Pakistan as he flew in from Jeddah. At that time, he was kosher but afraid of the physical risks of the jihad. It was only in 1984 that he first crossed over into Jaji, Afghanistan, and in June that year faced air attacks by the Soviets.

Ayman al-Zawahiri recruited at least two Egyptians to work for the Islamist cause in the US. Thirty-three-year-old Ali A. Mohammed arrived in the US in 1985, possibly changed his name to Mustafa, married an American woman, joined the US Army and worked with the Special Forces and the Green Berets. Mustafa/Mohammed would spend time educating the Special Forces about Islamic issues and later in 1988 take time off to go to Afghanistan, where he met Zawahiri. Indoctrinated, he returned to the US and quit the army in 1989 to devote all his time to Islamic causes. Mustafa provided military training to young Muslims in California and New York and New Jersey to prepare them for jihad. He went back to Afghanistan to impart training to the mujahideen there, then travelled to East Africa, Nigeria and Guinea under instructions from Osama bin Laden. In 1993 and 1994 he entered the US Embassy in Nairobi on a reconnaissance mission. He was arrested in the autumn of 1998 for his

involvement in the embassy bombings. [15] It was through Mustafa's interrogation that the West learnt that something even more sinister was being planned and the threat was greater than imagined. The French Embassy and cultural centre were among the targets. [16]

Zawahiri also sent Khalid al-Sayyid Abu-al-Dahab to the US in 1986 with instructions to acquire a clean cover. Dahab settled in Santa Clara, married an American woman and became an American citizen. Mustafa sent him for a two-month training in Afghanistan, where the Islamist leadership stressed on him the importance of organizing support operations in the US. Soon, Dahab had a communications network connecting Islamists operating clandestinely in the Arab world, the terrorist high command and operatives in Pakistan, Yemen, Bahrein, the UAE, Britain, Sudan, Austria, Albania and Canada. Dahab organized the clandestine transfer of funds for the supply of equipment like satellite phones to bin Laden and Zawahiri. He was quite an enterprising person working in an environment of great complacency as he organized false passports of various nationalities and shipped them across to his 'bosses' to facilitate travel to the West. It was his frequent visits to his former country, Egypt, that attracted the attention of the Iraqi intelligence service, and Dahab was arrested in October 1998 as he tried to flee to the US. [17]

Meanwhile, as the Afghan jihad wound down, the US lost interest in the region. Their own intelligence apparatus, which had concentrated on defeating the Soviet Union, needed to be reinvented. The Islamists were not resting either. The Saudis and their intelligence chief Turki bin Faisal worried about the returning Saudi mujahideen. They wanted the ISI to restrain them. There had to be a deal. The Saudis would be generous with funds, help Pakistan get rid of the Pressler Amendment and not let it feel that the American spigot had been shut off. The Saudis would help refurbish the image of the ISI in America, the only quid pro quo being that the Saudi jihadis not be allowed to return to Saudi Arabia. Somewhere along the line, it was agreed that Karachi would become the financial hub for all the clandestine financial activities of the international Islamist movement.

The 1990s also saw heightened Islamist activity led by Osama bin Laden as he visited Khartoum in March and April 1995 for an Islamist conclave attended among others by Hamas, the Muslim Brotherhood and Qazi Hussain Ahmed's Jamaat-e-Islami. As preparations for the bombings in Nairobi gathered pace, in February 1998 Osama also organized the International Front for Jihad against Crusaders and Jews and, unsurprisingly, Pakistani terrorist organizations like LeT, JeM, Harkat-ul-Ansar/Mujahideen, Jamaat Ulema-e-Islam Jamaat-ul-Ulema-e-Pakistan were on this Islamist bandwagon.

Meanwhile, Osama bin Laden issued a statement on 12 August 1998 after the Nairobi bombings, ending with the warning: ‘The coming days will prove that America will share the fate of the USSR; it will be struck from all sides.’ [18] The ISI saw this aggressive approach as a great opportunity to use the cover of his Islamists to expand activity into India using the Ahl-e-Hadith religious charity with which LeT was affiliated. This would have given them more than just plausible deniability for terrorist activity in India. Having Osama and his jihadi Al-Qaeda was going to be a tremendous force multiplier for the future against India and could even make Pakistan a leader of the Muslim world with its large standing army and nuclear weapons. A dual-track policy towards the US was inevitable.

Sometime after Osama bin Laden moved to Tora Bora in August 1996 for the last time, where he announced the establishment of the new safe base—Al-Qaeda—in Khurasan as he called on the summit of Hindu Kush where ‘the largest infidel military force was destroyed, and where the myth of the superpower withered . . .’ It was from here that he promised to lift the inequity imposed by the Jewish–Crusader community. [19]

In Tora Bora, he had a strange visitor. Osama had known Khalid Sheikh Mohammed vaguely when Khalid was an assistant to Abdul Rasul Sayyaf and Osama’s mentor Abdullah Azzam. Apart from an undying hatred for America, the two had little in common; Osama was provincial and hated to travel, while Khalid had studied mechanical engineering at the North Carolina Agricultural and Technical State University at Greensboro.

Khalid was lax in his morals, a womanizer and a tippler, and knew several languages including English. Osama was an elite Saudi and Khalid, a common man with Pakistani parentage, was the uncle of Ramzi Yousef, the man who was arrested for the first World Trade Center bombing in 1993. The two, while in the Philippines, had planned the famous Operation BOJINKA—to blow up a dozen aircraft over the Pacific. Khalid Sheikh suggested a similar plan (involving a dozen aircraft) for Osama with the US as the target. Osama showed little enthusiasm initially, [20] though he later became extremely enthusiastic about the scheme despite strong opposition from the Al-Qaeda hierarchy. [21]

Khaled Sheikh, who had taken the *kunya* (nom de guerre) ‘ Mokhtar’, soon became the mastermind of this project. He was himself an enigma. His refusal to take an oath of allegiance to Osama made him a suspect among the old guard. Not only did he help plan the strike, he was Osama’s mainstay after the Americans reacted to the attacks. Mokhtar knew they had bitten into something big because he is said to have muttered to his deputies on 9/11, ‘I think we bit off more than we could chew.’ [22]

Mokhtar remained a shadowy figure. The source of his power was unknown and his freedom of movement inside and outside Pakistan is remarkable. He is almost a Frequent Flyer type of cardholder on a jihadi airline, as it were. The organization required to mount such an operation thousands of miles away needed resources, money, communications, extensive training and logistical support of various kinds—organizing all of which was beyond the capacity of one man. There simply had to be an efficient organization backing this operation. It just had to be identified.

In the midst of all this, as preparations were underway, messages were exchanged between individuals in the US and the FATA region of Pakistan. They talked of skyscrapers, aircraft and training several months before the attack. These messages remained untranslated until after the attack had taken place. [23] When Sibel Edmonds, an FBI translator, pointed this out, she was hounded out of office and harassed, and her approaches to senior echelons in the FBI, the attorney general, US Congress and even the Supreme Court went unheeded. All she was saying was that the system needed to check this out and rectify the loophole. [24]

The hunting down of Edmonds was intriguing because it went beyond a simple cover-up. This was not a classical intelligence failure; it was failure to accept that there was intelligence that might have prevented the attack. It was either a failure of the system or worse, a case of intelligence being ignored—clearly a case of self-preservation within the organization.

The NSA's artificial intelligence–based multilateral ECHELON surveillance system had detected some indications of a major terrorist attack through its intercepts. Apparently, these warnings were not reviewed by any human agent until after the terrorists had struck on 9/11. [25]

11 September 2001

Many of us watched CNN that evening (Indian time) of 9/11 when terrorists struck the World Trade Center twice. We were witnessing a colossal failure in real time. It was a failure of intelligence, obviously, but also more than that. It was a failure of security systems and above all a failure of imagination—an inability to visualize that the US could ever be hit at this scale. Every intelligence officer's nightmare had come true that morning in the US. No one knew how many terrorists had struck, who they were and where else they would strike. There was no intelligence to indicate that there would be more such attacks later in the month or year. India would worry about similar targets in the country. This was the single most spectacular case of catastrophic terrorism. It was also hubris in action. The Pakistanis under Zulfikar Ali Bhutto may have first conceived of the scheme in 1973 to use Afghan Islamists in their fight against President Daoud's communist regime in Afghanistan, but the US lost little time in getting involved once the Soviets intervened in 1979. It was the result of what one might also call the Brzezinski Doctrine of Jihad. He promised Jimmy Carter that Afghanistan would be the Soviet Union's Vietnam. In reply to a question in 1998, Brzezinski had said—' What was more important to the history of the world? The Taliban or the collapse of the Soviet empire? Some agitated Muslims or the liberation of Central Europe and the end of the Cold War?'

9/11 was blowback.

The story of this intelligence failure does not end here.

The Hunt

By the end of the year, Osama was on the run, trying to evade the fierce US onslaught in Afghanistan and Tora Bora. The CIA pushed for a behind-the-lines drop but General Tommy Franks, the CentCom commander, refused permission. On the other side of the Safed Koh, Pakistani battalions under the command of General Aurakzai scaled the mountains to close escape routes. Suddenly, Aurakzai also called his troops back. Osama was able to escape to the safety of the Taliban [26] and eventually to the FATA and parts of the NWFP, including a spell in Peshawar, until he moved to Abbottabad in 2005.

Soon after the escape from Tora Bora, Mokhtar (The Chosen One) became critical to the bin Laden family. Mokhtar was not an Arab, he was not Al-Qaeda, but he was a trusted and even operational adviser–aide of Osama. He knew Karachi like the palm of his hand. He could arrange almost anything in the city. He would authorize payments to Al-Qaeda widows, rehouse their families who had reached Pakistan, organize medical assistance and payments for injured Al-Qaeda fighters and even advance payments to operatives leaving for terrorist action abroad. Mokhtar used three mobile phones for texting day and night; his email was coded or emails were sent on encrypted USB drives; his Pakistani contact Hassan Ghul was the link for communications with Quetta-based financier Sheikh Saeed and Al-Qaeda operative Abu Zubeidah hiding in Barmal, Paktika Province, Afghanistan. Mokhtar was delighted to be asked to look after the family and wives of Osama bin Laden in Karachi as they transited through the city. Later, Mokhtar would also arrange, at the last minute, Osama's travel from Abbottabad to Karachi to meet his youngest wife for a night. He also had the time to plan further terrorist action like the failed Richard Reid shoe bomber attempt.

Mokhtar ran a network of informers that consisted of shopkeepers, underpaid police constables looking for an extra buck, security guards and members of LeT or JeM, both of whom were close to the ISI. It also seems that Mokhtar was a frequent traveller himself. The ease with which he could travel or arrange travel for others and their visas and finances meant he had the support of a state organization.

If Mokhtar was neither an Arab nor Al-Qaeda, then who owned him, financed him, supported him and allowed him a free run of the place? The suspicion goes to the ISI. Pakistan had simply too much at stake to not get involved and even greater stake in ensuring that the US did not know of its involvement. In the 1980s, during the Afghan jihad, Pakistan's main concerns were to secure the

nuclear option and milk the US for military, economic and financial support. They succeeded on all three fronts. Pakistani support to the US-led Global War on Terror was not available for free either. During both these campaigns there had to be layers.

It is difficult to believe that the ISI did not know of Osama's location in Abbottabad; that they were unaware of the inmates living in a strange house with eighteen-foot-high walls behind which they butchered livestock and burnt garbage. It is inconceivable that with all the comings and goings between Abbottabad and the rest of the country, Osama's sons and wives arriving and the number of inmates growing in the house, the ISI did not know what was going on. It is also inconceivable that any intelligence organization had a wing which was autonomous and was handling the most wanted target in the world independently without keeping the senior management informed or without receiving any instruction from them. Instructions would have been sent from the army chief himself, laying down the ground rules, as this was too sensitive an issue to be left to the lower echelons. No intelligence organization, especially in Pakistan, can survive on its own. They may have disenchanted groups conspiring against the management but not organizing private operations. The ISI either knew all along, or were complicit or plain incompetent. The latter is difficult to believe.

Fazlur Rehman Khalil, an ISI favourite and one-time leader of the ISI-sponsored Harkat-ul-Mujahideen, had met Osama several times as an interloper between Abbottabad and Islamabad. He had accompanied Lieutenant General (retired) Hamid Gul, the ISI's dean of Islamist terrorists in Pakistan, to meet Osama in 2010. Milton Bearden, the CIA station chief in Islamabad in the late 1980s, had introduced Gul to Osama. After the Soviet withdrawal from Afghanistan, Gul became a supporter. Khalil had convinced Osama that powerful elements in Pakistan supported him. Gul and Khalil were offering covert negotiations with Lieutenant General Shuja Pasha, the ISI chief.

Somewhere down the line, the Americans decided that the hunt for Osama was getting too close and too important for them to share with the Pakistanis. Experience had taught them that there would be a leak and the last chance to get Osama would disappear. Ultimately, the hunt was a success story and redemption for the CIA's determined painstaking efforts over the years. It took the CIA ten years to redeem the setback of 9/11.

Mumbai, November 2008

When a perceived failure happens, the best course of action and possibly the

hardest decision is to admit it, introspect for the future, learn the lessons and apply correctives. Unfortunately, these are the three most difficult steps. An intelligence agency will not easily admit to failure, sometimes rightly so. The accusations will fly, and sometimes unjustifiably—the politician is usually interested only in the impact on his fortunes; the bureaucrat will prevaricate, and soon it will be business as usual. Until the next terrorist attack or alleged failure, when it will be time to 'rinse and repeat'. In India, after each perceived failure, governments tend to solve problems by creating new organizations but do little else to address the core problems and apply correctives for the future.

People get the government they deserve and a government gets the intelligence it deserves. Our rulers have mostly learnt nothing and have forgotten that Pakistani leaders sent in soldiers masquerading as so-called 'freedom fighters'—they were actually terrorists—in 1947, 1965, 1999, 2001 and then in 2008. Kashmir continues to be troubled. We cannot indulge in glib talk about fighting terror jointly with Pakistan. It is like investigating murder with the help of the murderer.

The three days of horror in November 2008 were shown live on TV and without any break by all news channels as a group of ten Pakistani terrorists perpetrated mayhem in Mumbai. It was obvious there had been no advance warning, or it was inadequate, or ignored. In September that year, there were intelligence reports of LeT planning to target sea-facing hotels in Mumbai. The attack was planned for 26 September but was postponed, and in the absence of any fresh input it seems that security was scaled down in November. Nevertheless, there were three other reports from the R&AW mentioned in a newspaper article, in which 18 September, 24 September and 19 November were specifically mentioned as dates for the LeT attack It did not mention the other targets. [27]

Once the terrorists began their attacks at the different venues more or less simultaneously, individual valour apart, no one seemed to be in control. The terror plot was not a crazy scheme dreamt up by an Islamic hothead. It was a meticulously planned attack by professionals who had painstakingly worked out each detail. It was war that had been planned by the ISI over the years. They had used LeT as executors and incorporated the assistance of perfect plotters like David Headley, who had a sound alibi to visit India frequently, no questions asked. The dinghy carrying the terrorists touched base when the GPS read 18^0 55'11.80", 72^0 49' 32.30"—the readings Headley had sent his handlers months ago. [28] The terrorists were in four groups, had fake Indian identities and had been taught to speak Mumbai Hindi. They had been given the GPS locations of their targets which included the three main hotels in close vicinity to each other: the

Taj Mahal, both old and new, the Oberoi Trident and the Jewish Centre in Colaba, as also Mumbai's main train station, a cinema house, a hospital and a restaurant frequented by foreigners. [29]

The attacks appeared haphazard but were carefully plotted for maximum local and international impact. Instead of a total clampdown given the scale of the problem, TV channels had a free run of the place. This had three devastating consequences. The terrorists got free publicity, and as live TV was being watched in Pakistan, the terrorists' minders were able to guide them to safety as government forces began to arrive. It was a fine exhibition of competitive sensationalism. Finally, acts of individual bravery by the Mumbai police and later the National Security Guard resulted in the rescue of more than a thousand people but all this was lost in the cacophony of premature allegations and inane press statements by government officials. The impression was that the state had lost control. This was the third terrorist attack in Mumbai—after the serial bomb blasts of March 1993 and the July 2006 train bomb blasts. Quite obviously, successive governments had been unable to protect the country's commercial hub. The failure was systemic in November 2008 and merely repetitive of the previous ones, with no lessons learnt.

Although the intelligence experts of that time seemed to be satisfied with the version that this was an LeT plot backed by the ISI, there was evidence of direct Pakistani state assistance. There were those like B. Raman, who felt that this could be a trial run that had an Al-Qaeda interest. Raman cited a telephonic message to BBC in the second week of February 2009 from Mustafa Abu-al Yazid, the man in charge of Al-Qaeda operations in Afghanistan, where he warned India that the mujahideen would never let India invade Muslim lands in Pakistan. Whether this was an attempt to claim credit for Mumbai 2008 or a genuine standalone warning, it is difficult to say. An intelligence agency cannot take a chance on such pronouncements and must necessarily store them away in institutional memory to follow the lead. There may not have been evidence of Al-Qaeda interest at that time but to conclude that there was no threat because there was no evidence can be a pitfall in the intelligence world. Besides, as astronomer Carl Sagan, and later, Donald Rumsfeld, said, 'Absence of evidence is not evidence of absence.' [30]

The Mumbai attack was not a bolt out of the blue. There were reports available with the Maharashtra government as early as 2006 which clearly indicated that LeT was training for a sea-borne commando style suicide attack on Mumbai. Neither the Maharashtra government, nor the central government or its agencies like the NSCS took enough notice. No one connected the dots. [31] CNN-IBN televised a report on 16 June 2007 that eight suspected LeT terrorists

had infiltrated into India through the sea route and two of them were picked up by the police in Jammu and Kashmir. Neither Mumbai nor New Delhi stirred, even though it was confirmed that the two men with Indian identities had left Pakistan on 23 February along with six other men, that the Indian Coast Guard arrested the other six but they were mysteriously set free on 3 March. It was also reported by CNN-IBN that as many as 500 terrorists were receiving marine training in Pakistan. The state authorities assured that they had strengthened all counter-measures. End of story.

No one picked up this valuable bit of OSINT and followed it to its logical conclusion. Anyone following this pattern closely could have concluded that an attack of this kind was possible in India too. It all depended on the capability, willingness and opportunity of the adversary and the capability and willingness of the counter-terrorist to prevent it. An intelligence agency would base its findings on these factors and not sentimentality.

Not all secret intelligence comes from classified sources. A good percentage comes from following OSINT and analysing and assessing it. Ever since September 2001, there had been several terrorist attacks that could be duplicated and adapted elsewhere according to circumstance. In our own experience till 26/11, terrorists had used all modes of transport either as targets (Air India Kanishka) or as means of attacks—cycles, motorcycles, cars, trucks. The only method not used was the sea route. There had been copycat strikes like the Madrid train bombing (2004) and the London bus bombings (2005). Closer home, there were attacks on the Meridien Hotel in Karachi in May 2002, the Serena Hotel in Kabul in January 2008 and the Marriott Hotel in Islamabad in September 2008. Surely we should have been collectively alert of a similar incident in India. Instead, the hotels in Mumbai seemed to have skimped on providing security or alternatively downgraded the threat on their own.

Other Failures

There are several historical incidents of what might be considered intelligence failure. Every intelligence organization dreads the presence of a mole. The British lived with this failure for over two decades with the Cambridge Five in their midst. Kim Philby should have been the Soviet Union's star performer. He was going places within the SIS and could have conceivably ended up heading the organization. Yet, typical of all dictators, the paranoid Stalin and the even more paranoid KGB just could not believe their luck and assumed that the reports were far too good to be true. When Philby had to flee from Beirut in 1963, a gruff KGB received him at the airport and took him to a decrepit apartment off Gorky Street in Moscow. Philby faced endless cross-examination; they bugged his apartment and tapped his phone. He was under constant physical surveillance. About a decade later, Yuri Andropov, the KGB chairman, decided to rehabilitate Philby. Oleg Kalugin was sent to meet him. Kalugin found Philby living in a smelly, decrepit pre-revolution building. Eventually, Philby received a pension, but was never promoted in the KGB nor consulted. In his last years, his life was made comfortable and the KGB even released a film on him. He died in Moscow in 1988 and his body lay in state at the Dzerzhinsky Cub of the KGB. Philby represented a generation of spies who did what they did for an ideology, and he would often quip, 'I am at the service of your Service.' Unfortunately, the KGB never fully maximized the value of Kim Philby. [32] Paranoia had paralysed them.

No agency has been without a mole working for another intelligence agency. The CIA had Aldrich Ames, the FBI had Robert Hanssen, the GRU had Dmitri Polyakov spying for the Americans, Oleg Gordievsky of the KGB spied for the British, and the R&AW had Rabinder Singh spying for the Americans. These and many others are part of an international Hall of Fame among spies and moles.

Continued failure leads to a crisis of confidence, as low reliability means that even correct intelligence becomes suspect. The politicization of intelligence, cherry-picking, bypassing accurate intelligence or seeking bent intelligence inputs are dangers all countries have faced, usually with adverse consequences. Politicization of intelligence is of two kinds. At times policymakers and political leaders seek intelligence that matches their policy preferences, convenience and comfort. Intelligence could take a cue from this and cater only information that would be deemed acceptable. In this case, intelligence is a danger to its own government and to itself.

The biggest dangers to intelligence services in India are subversion by external forces and the politicization of the agencies, where the internal agency assumes that the security of the state is the same as the security of the government, while the external agency is 'policized'. The Security Service of the UK (MI5) and the Secret Intelligence Service (MI6) are what their names signify. The former has more police functions, provides security to the State and not to a government against its domestic political rivals, and the latter has no police functions and provides intelligence about external enemies of the state. Sourcing for the recruitment for the two agencies is different as well.

Among the many lessons from 9/11 is that one could have innumerable intelligence agencies, including the behemoth called the NSA, the world's largest, most secret and most advanced spy organization, but no technical input will be enough without HUMINT and the interpretation of technical intelligence. James Bamford described it best in his book *The Body of Secrets* when he says that in Crypto City, scientists work on the largest collection of extremely powerful computers, and there are advanced mathematicians and language experts covering all parts of the globe. Time in Crypto City is measured in femtoseconds—one million billionth of a second. Scientists work in secret to develop computers that will perform more than one septillion operations every second. (A septillion is the figure 1 with 24 zeros.) However, did all this elaborate arrangement prevent 9/11? Will it do so in the future? The answer is a 'definite no' in the first case and a 'probable no' in the second. The only thing that can be said with certainty is that the chances of detection would improve with better HUMINT capability.

Managing the security of the nation, its people and assets is one of the primary duties of any government. For this, it needs effective security systems, armed forces, law and order agencies and an effective judiciary backed by a critical factor: an effective unobtrusive intelligence system. But apart from having the right kind of organizations, the state must endeavour to have the trust and cooperation of the people. In recent years, faced with terrorist threats where surprise is a major element and the resulting destruction is massive, powerful states have begun to rely heavily on intrusive surveillance systems. The kind deployed in the US, for example, where the state seems to have moved from being a protector to a secret surveillance state.

The bigger and more powerful a country, the greater the requirements of its intelligence agencies to protect its geopolitical interests. The US has that requirement of its intelligence and military forces. The very size of the machinery and the nature of threats make the system more prone to errors of judgement, prioritization or simply omission. The list of major US failures starts

with the Bay of Pigs fiasco and ends with Iraq, with the collapse of the Soviet Union and the Indian nuclear test as additional failures.

In fact, Pokhran II in 1998 was a major embarrassment for the CIA. Here again, it was not just the CIA and NSA that failed to pick up the signs. The BJP had declared in its election manifesto that they would test; the managers of India's nuclear programme had declared openly they were ready to test if the political leaders agreed. Earlier, the US had twice prevented the Indians, in 1983 and 1995–96, when they discovered Indian intentions to conduct nuclear tests. The Americans drove home their point by showing details of American monitoring activities that automatically suggested how and what to cover and conceal. This made deception easier as India was able to estimate the times that US satellites passed over the test site by analysing the series of pictures presented by US Ambassador Frank G. Wisner.

The Indians succeeded in their cover-up through old tricks of the trade—camouflaging intentions, subterfuge and operational secrecy. Once they had found out the timings of the satellite that crossed the area, it was easy to work around them and leave no trace of activity at the end of each night's work. Six hours before the blast, there was a report claiming that a US satellite had picked up some signals indicating Indian preparations at Pokhran. As so often happens in such cases, there was no CIA analyst on duty that day and when they opened shop the next morning, Operation Shakti had been successfully accomplished. This led the US Senate Intelligence Committee chairman Richard C. Selby to comment that this was the intelligence failure of the decade for the Americans.

Powerful countries make huge mistakes and carry on regardless. In India, a mistake of this magnitude would set the nation back by decades. The way of the world is that it only gets to know of the failures, such as when terrorists blow themselves up or use AK-47s on civilians, tanks begin to roll suddenly or warplanes launch surprise attacks. Rarely does the world get to know, and if it does it is usually decades after the event, of the number of times advance intelligence has prevented a war or led to the aborting of a terrorist strike. Intelligence agencies prefer it that way. All they need is a bit of understanding from those they seek to protect.

Failures are not just of intelligence alone. They result also from inadequate dialogue between the consumer and the producer. Sometimes enough intelligence indicators exist but are ignored by consumers. On other occasions, intelligence is available and communicated but disregarded because of political or strategic reasons. Failures that lead to catastrophic results are not failures of intelligence alone but are systemic failures.

Intelligence agencies do not publicize their successes in espionage. This is not

out of modesty but practical necessity. They seek to protect sources and families and friends at the other end, conceal their methods of operation and prevent the opposition from drawing lessons about breaches in their systems.

Epilogue

‘ONCE YOU’VE LIVED THE INSIDE-OUT WORLD OF ESPIONAGE, YOU NEVER SHED IT. IT’S A MENTALITY, A DOUBLE STANDARD OF EXISTENCE’ —John le Carré

Looking Back

The top floor was always the quietest one. It was where authority and a whole lot else resided. The atmosphere was appropriately rarefied. You could hear yourself breathe as you walked down the long corridor. If you wore leather-soled shoes, you could be heard walking past each unnamed door. Rubber soles were better for surprises. You spoke in hushed tones so your voice did not reach ears unauthorized to hear what you were saying. There were no benches or chairs for folks to sit and gossip; no one could be seen hanging around. If they were within seeing distance of authority, they seemed to disappear quickly behind unmarked doors.

The building for the Kao Boys’ headquarters had risen in a forest clearing at the edge of Lutyens’ Delhi in 1980. For many years, it was the only tall building in that area. Before it was built, the business of intelligence was transacted from several unmarked houses in south Delhi. It was convenient if the immediate superior was unfussy and in another building but not so if he wanted you to be on call every time he sneezed. Those were the days of Gestetner cyclostyle machines and Godrej typewriters; electric typewriters and air conditioners were distributed by seniority. The clatter of typing would invariably be the loudest on Thursday afternoons as everyone rushed to meet deadlines.

Each report was read and reread by various people along the pecking order before being dispatched to the sanctum sanctorum in South Block and the rest of the very restricted world. One mistake, and it had to be started afresh. A good typist and a good typewriter were greatly cherished; if you chanced upon an electronic typewriter, you were in clover. One got used to the pace, the eye for detail, the need for accuracy. Just as it became second nature to memorize the registration numbers of your friends’ cars. You looked suspiciously at people sitting around ostensibly doing nothing more than reading a book or newspaper. The training institute was where budding intelligence officers were taught both how to spot human surveillance and how to evade it—never bolt from a place in apparent panic but merge and disappear, sometimes slow down deliberately and

apparent panic but merge and disappear; sometimes slow down deliberately and embarrass the scalp-hunter or give him a message.

Normally, though, one did not mess around with the local lamplighters. In hostile countries, this was not possible; the opposition could be offensive and obnoxious. Their intention was to prevent you from doing whatever it is you were doing, even if it was something as innocent as going to your child's school. Totalitarian and paranoid states had a simple rule—you would be covered all the time either on foot, in your car and at home with the telephone bugged and through your staff. It was always easy, the instructors warned, to slip into paranoia and see ghosts when none existed. Over time, you also got into the habit of selecting a table at a restaurant that allowed you to keep an eye on the front door and, if possible, the emergency exit.

The James Bond variety of gadgets did not exist in reality; they would never have worked. The Aston Martin looked good in the movies, but it was the precious old Landmaster that could merge into the background. In Europe in the 1970s, the Toyota or the Nissan was the car of preference for spies, and not the Jaguar. Those were also the days preceding the computer, getting multiple-copy printouts with a single command, and storing hundreds of files in a gadget three centimetres long which could be hidden under a coat lapel. Data moved from room to room in thick, dog-eared files. Today all that data can be held in the palm of one's hand and transmitted in seconds. It was some years into the end of the twentieth and the beginning of the twenty-first century that personal computers and smart communications technology became usable and acceptable in our part of the world.

Politicians and policymakers had assumed that post its defeat in 1971, Pakistan would recede and China would become India's main problem. Pakistan's leaders, military and civilian, had begun plotting revenge, and Zulfiqar Bhutto had embarked upon his hunt for an Islamic Bomb. The Chinese, on the other hand, were not only an inspiration for the Naxalites in India; they had been aiding insurgencies among the Nagas and Mizos in our north-east. Pakistan was conniving with them. The R&AW was not surprised and there was to be no respite for the intelligence agencies. The Nixon–Kissinger duo made for a hostile anti-India combination. The Soviet Union would prove to be our only steadfast friend in those difficult years.

The war had taken a toll on the Indian economy and Indira Gandhi's political fortunes began to dip. The Smiling Buddha (code name for Pokhran I) in May 1974 and the Sikkim merger did not help either. After the 1975 Emergency, it was downhill for her. The fall came in 1977 when Gandhi, seen as the R&AW's creator and considered its patron saint, lost the elections. Her successor, by then her political opponent, the acerbic Morarji Desai, went about systemically

her political opponent, the acerbic Morarji Desai, went about systemically decimating the organization. He ordered the closure of stations, the surrender of posts sanctioned but not filled, slashed the budget, arranged the closure of sensitive operations that had taken years to build and stopped direct recruitment. When you lose personnel, you save money but lose institutional knowledge and operational experience. R.N. Kao, who had built the organization and led it with dignity and discretion for nearly a decade, resigned. There was turmoil. His deputy and alter ego K. Sankaran Nair also had to go, refusing to work under a downgraded status. The damage that we do to ourselves because of misconceptions and predetermined hatred and suspicions is enormous.

The R&AW pulled itself up because we had N.F. Suntook and Gary Saxena to provide sanity and balance. Indira Gandhi regained power in 1981 but she was never again the same. Politically weakened, domestic politics were her priority. The Punjab question kept her preoccupied and she lost her life to violent politics. The R&AW, which depended heavily on the personal involvement of the prime minister, saw a brief revival of fortunes with Rajiv Gandhi. He too got diverted post Bofors and the political fallout of his Sri Lanka policy. He lost the elections, and V.P. Singh succeeded him.

The political leadership that followed for the next decade had neither the time nor any ideas to institutionalize arrangements. Consequently, the R&AW did not get the attention it deserved. P.V. Narasimha Rao had no time for its activities as he was more concerned with retaining his premiership in minority government. It was a lost decade for the R&AW, which had as many as nine heads in succession. Continuity of direction, both political and professional, was a natural casualty in a system that was strongly oriented towards the head of the organization. This happened at a time when the ISI had mounted a vicious campaign of terror in Jammu and Kashmir.

Political leaders have a tendency to reject intelligence that does not suit their narrative and is therefore unpalatable. Their hearing becomes selective and the danger then is that intelligence agencies begin to politicize their inputs, as happened in the second Iraq War.

There was some ground recovered for the R&AW with the NDA government of Atal Bihari Vajpayee. It understood the role of and need for effective intelligence. Prime Minister Vajpayee’s landmark visit to Lahore in February 1999 raised hopes of a breakthrough in India–Pakistan relations. Pakistan’s General Musharraf negated all this with his ill-conceived Kargil misadventure that summer. More setbacks were to follow when Pakistan-led terrorists hijacked Indian Airlines flight IC-814 from Kathmandu on Christmas Eve. No individual and organization covered themselves in glory in the aftermath of the hijack. Our systems were archaic, our response time slow and hierarchical. Eventually, we

systems were archaic, our response time slow and ineffectual. Eventually, we succumbed to public pressure aired relentlessly on our TV channels. We handed over three terrorists for the return of the hostages.

The next year was relatively quiet as we tried to make peace in Jammu and Kashmir, but 2001 was marked by General Musharraf's high-pitched theatrics in Agra. He went away unhappy, and soon after this we had the 9/11 terror attacks in the US. Just two days prior to it, Ahmed Shah Massoud, also known as the Lion of Panjshir, was assassinated in Afghanistan. The assassination was never investigated but it was known that the terrorists had come from Belgium with visas obtained from the Pakistan Embassy in London. Unable to enter Afghanistan immediately, the terrorists waited patiently in Pakistan. Clearly, Al-Qaeda organized the assassination to help its local protector in Afghanistan, the Taliban, in their battle against Massoud and it is possible that it sought Pakistan's help for logistical support.

India reacted sharply to the terrorist attack on the Indian Parliament in December with Operation Parakram. That is how 2001 ended and 2002 began.

Looking Ahead

Statecraft is a mixture of diplomacy, military power, economic strength and intelligence capabilities. No single factor by itself will be enough to attain our goal to be a great power. In international relations, favours granted are rarely forgotten and favours received are distant memory as soon as possible. Greatness is not going to be thrust upon us or granted in charity. We have to achieve it on our own—by force, stealth or deception. A nation such as ours that wants to find its rightful place in the world must have eyes to see and ears to hear what is happening in those areas that matter today or will matter tomorrow. The leadership must be willing to hear even the unpleasant truth and absorb it. Nothing else will work.

A secret organization cannot be transparent, though it must be honourable. The problem is not the money that is spent on it. The larger issue is the investment in talent and skill of the right kind to handle threats and the needs of the future. If we are going to go global, economically and politically, we need to know the intentions and capabilities of our competitors and adversaries; we need abilities to counter, overcome or subvert these if necessary. This is not bravado; it is merely realism.

There was a steady predictability about the wars of the previous century and even the Cold War. The combatants were more identifiable and had territorial boundaries with extraterritorial and ideological ambitions. The cold bipolarity of the two superpowers was replaced by the uncertainties of a multipolar world that

the two superpowers was replaced by the uncertainties of a multipolar world that emerged in the 1990s. Technology and globalization have diffused national boundaries. Sovereign states are no longer the sole authorized wielders of instruments of violence. State-sponsored jihad is now privatized and there is 'copycat jihad' being replicated in other parts of the globe. The years ahead will be difficult. The world has entered into the Second Cold War or the Colder War, as it is sometimes called. The struggle for energy and control of the land mass between Russia and the Red Sea, most of it Islamic and resource-rich, will continue. The Russian giant, itself resource-rich, sits like a huge canopy from the Pacific to the Atlantic, with the Arctic becoming increasingly navigable due to global warming. America's CentCom is co-terminous with this energy rich region as well. China will be one of the cold warriors although one would not write off Russia much, though the Americans may want the world to disregard it. Pakistan, with its single-point approach, and China with its overweening ambition will remain adversarial to India; terrorism will become increasingly Islamist and Internet-centric.

The power play between the US and China for global supremacy, between the US and Russia because of old animosities, and between an assertive China and its neighbours, including India and Japan, will contribute to the growing global turbulence. The global struggle for resources and markets will exacerbate where the influence of the US will decline and China will hold a monopoly over 80 per cent of strategic raw materials. Chinese ambitions under the leadership of Xi Jinping are scaling new heights with no one able to stop this rise. There is upheaval within the Muslim world and global Islamist terrorism is spreading rapidly. National ambitions, sharp sectarian differences, regional rivalries and extra-regional interests in the Islamic world have complicated matters.

Nothing much has changed in Pakistan's attitude towards India in all these years and nothing will. Terrorism will continue as long as Pakistan sees it is as a useful low-cost weapon against India. Pakistan's politics will also become beholden to its Islamic radicals, affecting relations with India. Both China and Pakistan will use the cyber route to hurt India.

There are no new surprises for the intelligence world here except that the nature, quantity and lethality of weapons have changed. Pakistan–US relations will swing from one end to the other like a pendulum and the US is unlikely to turn away from Pakistan. Our intelligence objectives will remain unchanged regardless of the level of diplomacy and the state of bilateral political and economic relations. The past tendency to scale down intelligence activity when relations show signs of improvement is a dangerous mistake and must never be an option.

India carries the burden of three lines drawn by the British on our palm as it

India carries the burden of three lines drawn by the British on our palm as it were—the Durand, Radcliffe and McMahon lines. We were gifted the Afghan jihad as a fallout of the Cold War. Al-Qaeda morphed into the Islamic State in West Asia and now the latter will surely be reborn elsewhere in another form. Its ripples will be felt all over, India included.

Terrorism will remain a major threat as it changes shape and direction. Intelligence agencies will have to cope with the mountains of data that will continue to be downloaded by technology. It will be impossible to make sense of this, given the near-certainty of inadequate analytical capabilities. By nature, terrorist organizations do not have standard hierarchies and change shape easily; understanding them and assessing their intentions will remain a challenge.

In the American lexicon, strategic partnerships and alliances mean securing US interests first, and the convergence of interests usually means that the other partner must acquiesce to US interests. India–US relations may be at their best in decades but the US defines its self-interest far too strongly. It will push its own agenda and look the other way when we are in trouble. It is not in US interests to support an Indian cause.

Artificial intelligence and its applications along with the other new technologies growing at an exponential rate will create new threats. American generals have begun to demand that new guns be equipped with artificial intelligence and terrorists and others will have access to it. Financial systems with the technology of blockchain will be another major shift that will complicate the life of an intelligence officer tracking illicit money transactions.

Intelligence organizations cannot compete with information about events, tragedies or threats that occur every day. The electronic media, the Internet and communications take care of that. Intelligence agencies will need to deal with cyberspace and terrestrial threats, moving in great volumes, at times with lightning speed and coming from state and non-state sources. They will also have to continue to handle immediate and long-term threats. This means having to face up to the present and prepare for the future in a world where reality is getting increasingly virtual.

Warfare has moved from the trenches of the First World War through the mushroom clouds of Hiroshima to the present trenches of cyber terror and cyber warfare. Any intelligence agency that does not adapt to the new methods of intelligence collection and operations will be a loser. Our standing in the global sphere would be determined not by our efforts to make peace and appease but by visibly defending our interests.

For India, the old threats will remain and new ones will arise in unimaginable and unpredictable ways. Any intelligence service that begins to understand what lies ahead and what should be done now to prepare itself for the future will have

better chances of providing answers. The tasks for present-day intelligence managers are much more difficult and diffuse than they were in the somewhat placid 1970s. This is the unasked-for inheritance of the intelligence world. They have to continue to play this endless game where there are few rules and no winners.

Author’s Note

There is a certain prevalent perception about the world of intelligence. This includes some kind of a mystique, even a glamourized aura, about spies and espionage—largely a creation of the worlds of fiction and cinema.

This book addresses all categories—the believers and the sceptics—but is not meant exclusively for intelligence professionals, experts or academics. It is not a personal memoir, nor is it about the organization for which I worked. Instead, it seeks to familiarize those who are interested in the intricacies of espionage and intelligence collection and, hopefully, to help prepare our systems for the turbulence that lies ahead. The Research and Analysis Wing is mentioned only when it is relevant to the context.

The Unending Game is about one of the oldest professions the world has known. Paranoid leaders of the past, ambitious monarchs, powerful imperialists and liberal democrats have all had a group of men and women working for them to inform them about their realm and that of their adversaries and competitors.

The book concentrates on the world of twentieth-century espionage up to the current era. Most of this espionage was conducted by the rich and powerful to preserve their wealth and power. The rest of the world had neither power nor wealth to protect so they spied for their masters. Colonial empires ran their intelligence services using locals to spy on their own so they could help their masters control their possessions. Naturally, the book explores espionage in the West and the then Soviet Union where the Cold War was fought. These spy wars were cold and ruthless. They remain so. Yet, the world of espionage remains a fascinating world where fact and fiction merge.

Indian intelligence came into existence only after the country’s independence and was, like all other executive arms and institutions, a product of British systems. Until 1947, it served British interests and informed the empire of threats to it.

I must thank my publisher Penguin Random House India and senior commissioning editor Swati Chopra for her patience, suggestions and for giving me this opportunity to put a book together.

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I also wish to thank the Observer Research Foundation, New Delhi, for their support and encouragement.

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Gurugram

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