



REUTERS/MOHSIN RAZA

WHY THE U.S. MISTRUSTS PAKISTAN'S POWERFUL SPY AGENCY

The killing of Osama bin Laden exposes just how dysfunctional the relationship between U.S and Pakistani spies has become.

BY CHRIS ALLBRITTON AND
MARK HOSENBALL
ISLAMABAD/WASHINGTON, MAY 5

IN 2003 OR 2004, PAKISTANI intelligence agents trailed a suspected militant courier to a house in the picturesque hill town of

Abbottabad in northern Pakistan. There, the agents determined that the courier would make contact with one of the world's most wanted men, Abu Faraj al-Libbi, who had succeeded Sept. 11 mastermind Khalid Sheik Muhammad as al Qaeda operations chief a few months earlier. Agents from

Pakistan's powerful and mysterious Inter-Services Intelligence agency, known as the ISI, raided a house but failed to find al-Libbi, a senior Pakistani intelligence official told Reuters this week.

Former Pakistan President Pervez Musharraf later wrote in his memoirs that

Abbottabad Compound

Preconstruction, 2004



Postconstruction, 2011



HIDING PLACE: Aerial views, released by the United State Department of Defense May 2, 2011, shows before (L) and after (R) views of the compound that Osama bin Laden was killed in on Monday in Abbottabad, Pakistan. **REUTERS/DEPARTMENT OF DEFENSE/HANDOUT**

an interrogation of the courier revealed that al-Libbi used three houses in Abbottabad, which sits some 50 km (30 miles) northeast of Islamabad. The intelligence official said that one of those houses may have been in the same compound where on May 1 U.S. special forces killed al Qaeda leader Osama bin Laden.

It's a good story. But is it true? Pakistan's foreign ministry this week used the earlier operation as evidence of Pakistan's commitment to the fight against terrorism. You see, Islamabad seemed to be pointing out, we were nabbing bad guys seven years ago in the very neighborhood where you got bin Laden.

But U.S. Department of Defense satellite photos show that in 2004 the site where bin Laden was found this week was nothing but an empty field. A U.S. official briefed on the bin Laden operation told Reuters he had heard nothing to indicate there had been an earlier Pakistani raid.



FRIENDS: U.S. President George W. Bush (C) makes a statement as Pakistan's President Pervez Musharraf (L) and Afghanistan's President Hamid Karzai listen at the White House Rose Garden in Washington September 27, 2006. **REUTERS/JOSHUA ROBERTS**

There are other reasons to puzzle. Pakistan's foreign ministry says that Abbottabad, home to several military installations, has been under surveillance since 2003. If that's true, then why didn't the ISI uncover bin Laden,

who U.S. officials say has been living with his family and entourage in a well-guarded compound for years?

The answer to that question goes to the heart of the troubled relationship between Pakistan and the United States. Washington has long believed that Islamabad, and especially the ISI, play a double game on terrorism, saying one thing but doing another.

MARRIAGE OF CONVENIENCE

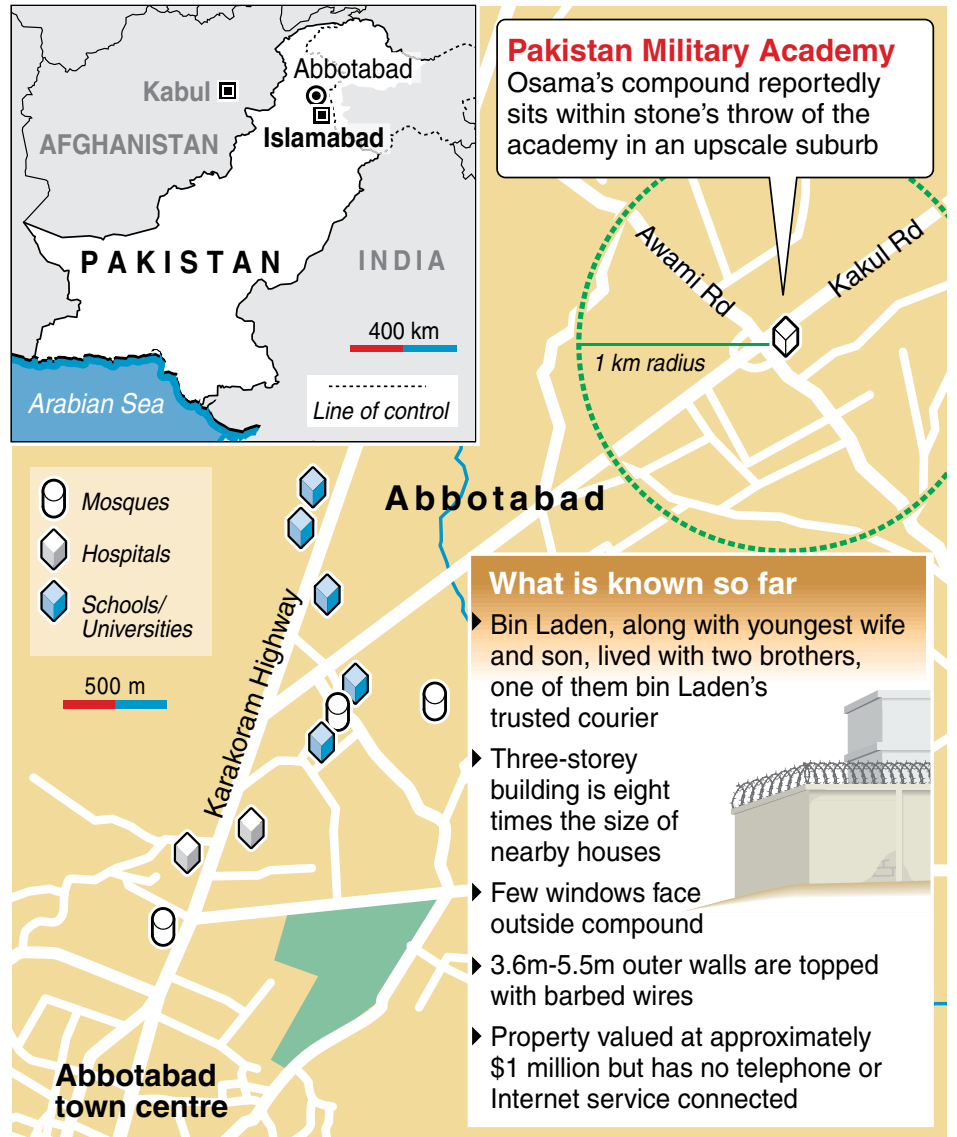
SINCE 9/11 THE United States has relied on Pakistan's military to fight al Qaeda and Taliban forces in the mountainous badlands along Pakistan's border with Afghanistan. President George W. Bush forged a close personal relationship with military leader Pervez Musharraf.

But U.S. officials have also grown frustrated with Pakistan. While Islamabad has been instrumental in catching second-tier and lower ranked al Qaeda and Taliban leaders, and several operatives identified as al Qaeda



TOP BRASS: Pakistani Army Chief General Ashfaq Parvez Kayani in a January 20, 2011 file photo. REUTERS/STRINGER

BIN LADEN FOUND IN UPSCALE SUBURB



Source: Reuters

Graphic: Fabian Chan



BLOG
 Find more Reuters special reports at our blog The Deep End here:
<http://link.reuters.com/heq72q>

"number threes" have either been captured or killed, the topmost leaders - bin Laden and his Egyptian deputy Ayman al Zawahiri -- have consistently eluded capture.

The ISI, which backed the Taliban when the group came to power in Afghanistan in the mid-1990s, seemed to turn a blind eye -- or perhaps even helped -- as Taliban and al-Qaeda members fled into Pakistan during the U.S invasion of Afghanistan after 9/11, according to U.S. officials.

Washington also believes the agency protected Abdul Qadeer Khan, lionized as the "father" of Pakistan's bomb, who was arrested in 2004 for selling nuclear secrets to Iran, Libya and North Korea.

And when Kashmiri militants attacked the Indian city of Mumbai in 2008, killing 166 people, New Delhi accused the ISI of controlling and coordinating the strikes. A key militant suspect captured by the Americans later told investigators that ISI officers had helped plan and finance the attack. Pakistan denies any active ISI connection to

the Mumbai attacks and often points to the hundreds of troops killed in action against militants as proof of its commitment to fighting terrorism.

But over the past few years Washington has grown increasingly suspicious-and ready to criticize Pakistan. The U.S. military used association with the spy agency as one of the issues they would question Guantanamo Bay prisoners about to see if they had links to militants, according to WikiLeaks documents made available last month to the New York Times.

U.S. Secretary of State Hillary Clinton said last July that she believed that Pakistani officials knew where bin Laden was holed up. On a visit to Pakistan just days before the Abbottabad raid, Admiral Mike Mullen,

chairman of the U.S. Military's Joint Chiefs of Staff, accused the ISI of maintaining links with the Taliban.

As the CIA gathered enough evidence to make the case that bin Laden was in Abbottabad, U.S. intel chiefs decided that Pakistan should be kept in the dark. When U.S. Navy Seals roped down from helicopters into the compound where bin Laden was hiding, U.S. officials insist, Pakistan's military and intel bosses were blissfully unaware of what was happening in the middle of their country.

Some suspect Pakistan knew more than it's letting on. But the Pakistani intelligence official, who asked to remain anonymous so that he could speak candidly, told Reuters that the Americans had acted alone



PAKISTANI ANGER: Supporters of Pakistan's religious and political party Jamaat-e-Islami shout slogans as they take part in a protest against the release of CIA contractor Raymond Davis in Karachi March 16, 2011. **REUTERS/AKHTAR SOOMRO**

and without any Pakistani assistance or permission.

The reality is Washington long ago learned to play its own double game. It works with Islamabad when it can and uses Pakistani assets when it's useful but is ever more careful about revealing what it's up to.

"On the one hand, you can't not deal with the ISI... There definitely is the cooperation between the two agencies in terms of personnel working on joint projects and the day-to-day intelligence sharing," says Kamran Bokhari, Middle East and South Asia director for global intelligence firm STRATFOR. But "there is this perception on the part of the American officials working with their counterparts in the ISI, there is the likelihood that some of these people might be working with the other side. Or somehow the information we're sharing could leak out... It's the issue of perception and suspicion."

The killing of bin Laden exposes just how dysfunctional the relationship has become. The fact that bin Laden seems to have lived

for years in a town an hour's drive from Islamabad has U.S. congressmen demanding to know why Washington is paying \$1 billion a year in aid to Pakistan. Many of the hardest questions are directed at the ISI. Did it know bin Laden was there? Was it helping him? Is it rotten to the core or is it just a few sympathizers?

What's clear is that the spy agency America must work with in one of the world's most volatile and dangerous regions remains an enigma to outsiders.

GENERAL PASHA

ISI CHIEF LIEUTENANT General Ahmed Shuja Pasha visited Washington on April 11, just weeks before bin Laden was killed. Pasha, 59, became ISI chief in September 2008, two months before the Mumbai attacks. Before his promotion, he was in charge of military operations against Islamic militants in the tribal areas bordering Afghanistan. He is considered close to Pakistan military chief General Ashfaq Kayani, himself a long-time

ISI chief.

A slight man who wastes neither words nor movements, Pasha speaks softly and is able to project bland anonymity even as he sizes up his companions and surroundings. In an off-the-record interview with Reuters last year, he spoke deliberately and quietly but seemed to enjoy verbal sparring. There was none of the bombast many Pakistani officials put on.

Pasha, seen by U.S. officials as something of a right-wing nationalist, and CIA Director Leon Panetta, who was in the final stages of planning the raid on Osama's compound, had plenty to talk about in Washington. Joint intelligence operations have been plagued by disputes, most notably the case of Raymond Davis, a CIA contractor who shot dead two Pakistanis in Lahore in January. Davis was released from jail earlier this year after the victims' families were paid "blood money" by the United States, a custom sanctioned under Islam and common in Pakistan.

Then there are the Mumbai attacks. Pasha and other alleged ISI officers were named as



ADMIRAL: Chairman of the Joint Chiefs of Staff Admiral Mike Mullen (L), Defense Secretary Robert Gates (C) and Defense Comptroller Robert Hale testify in Congress in Washington March 2, 2011. **REUTERS/KEVIN LAMARQUE**

defendants in a U.S. lawsuit filed late last year by families of Americans killed in the attacks. The lawsuit contends that the ISI men were involved with Lashkar-e-Taiba, an anti-India militant group, in planning and orchestrating the attacks.

An Indian government report seen by Reuters states that David Headley, a Pakistani-American militant who was allied with Lashkar-e-Taiba and who was arrested in the United States last year, told Indian interrogators while under FBI supervision that ISI officers had been involved in plotting the attack and paid him \$25,000 to help fund it.

Pakistan's government said it will "strongly contest" the case and shortly after the lawsuit was filed Pakistani media named the undercover head of the CIA's Islamabad station, forcing him to leave the country.

TECHNIQUE OF WAR

THE ISI'S TIES TO Islamist militancy are very much by design.

The Pakistan Army's humiliating surrender to India in Dhaka in 1971 led to the carving up of the country into two parts, one West Pakistan and the other Bangladesh. The defeat had two major effects: it convinced the Pakistan military that it could not beat its larger neighbor through conventional means alone, a realization that gave birth to



MILITANTS: Jalaluddin Haqqani (R), then the Taliban's Minister for Tribal Affairs, points to a map of Afghanistan during a visit to Islamabad, Pakistan, October 19, 2001 while his son Naziruddin (L) looks on. **REUTERS/SRR NEW**

its use of Islamist militant groups as proxies to try to bleed India; and it forced successive Pakistani governments to turn to Islam as a means of uniting the territory it had left.

These shifts, well underway when the Soviet Union invaded Afghanistan in 1979, suited the United States at first. Working with its Saudi Arabian ally, Washington ploughed money and weapons into the jihad against the Soviets and turned a blind eye to the excesses of Pakistan's military ruler, General Zia ul-Haq, who had seized power in 1977 and hanged former Prime Minister Zulfikar Ali Bhutto in 1979.

Many Pakistanis blame the current problems in Pakistan in part on Washington's penchant for supporting military rulers. It did the same in 2001 when it threw its lot with Musharraf following the attacks on New York and Washington. By then, the rebellion in Indian Kashmir had been going since 1989, and U.S. officials back in 2001 made little secret that they knew the army was training, arming and funding militants to fight there.

That attitude changed after India and Pakistan nearly went to war following the December 2001 attack on India's parliament, which New Delhi blamed on Pakistan-based militant groups -- a charge Islamabad denied. Musharraf began to rein in the Kashmiri militant groups, restricting their activity

across the Line of Control which divides the Indian and Pakistani parts of Kashmir. But he was juggling the two challenges which continue to defy his successor as head of the army, General Ashfaq Pervez Kayani -- reining in the militant groups enough to prevent an international backlash on Pakistan, while giving them enough space to operate to avoid domestic fall-out at home.

The ISI has never really tried to hide the fact that it sees terrorism as part of its arsenal. When Guantanamo interrogation documents appearing to label the Pakistani security agency as an entity supporting terrorism were published recently, a former ISI head, Lt. General Asad Durrani, wrote that terrorism "is a technique of war, and therefore an instrument of policy."

Critics believe that elements of the ISI -- perhaps an old guard that learned the Islamization lessons of General Zia ul-Haq a little too well -- maintain an influence within the organisation. "It is no secret that Pakistan's army and foreign intelligence service, the Inter-Services Intelligence (ISI) directorate, actively cultivated a vast array of Islamist militants - both local and foreign, from the early 1980s until at least the events of Sept. 11, 2001 - as instruments of foreign policy," STRATFOR wrote in an analysis posted on its website this week.

LIST OF GRIEVANCES

THAT LEGACY IS AT the heart of Washington's growing mistrust of the ISI.

Take the agency's ties to the powerful Afghan militant group headed by Jalaluddin Haqqani, which has inflicted heavy casualties on U.S. forces in the region.

"We sometimes say: You are controlling -- you, Pasha -- you're controlling Haqqani," one U.S. official said, speaking to Reuters on condition of anonymity.

"Well, Pasha will come back and say ... 'No, we are in contact with them.' Well, what does that really mean?"

"I don't know but I'd like our experts to sit down and work out: Is this something where he is trying (to), as he would put it, know more about what a terrorist group in his country is doing. Or as we would put it, to manipulate these people as the forward soldiers of Pakistani influence in Afghanistan."

When U.S. Joint Chiefs head Admiral Mike Mullen visited Islamabad last month he was just as blunt.

"Haqqani is supporting, funding, training fighters that are killing Americans and killing coalition partners. And I have a sacred obligation to do all I can to make sure that doesn't happen," Mullen told a Pakistani newspaper.

"So that's at the core -- it's not the only thing -- but that's at the core that I think is the most difficult part of the relationship."

Just across the border in Afghanistan, Major General John Campbell reaches into a bag and pulls out a thick stack of cards with the names and photos of coalition forces killed in the nearly year-long period since he's been on the job. Many of the men in the photos were killed by Haqqani fighters.

"I carry these around so I never forget their sacrifice," Campbell said, speaking to a small group of reporters at U.S. Forward Operating Base Salerno in Khost province.

"There are guys in Pakistan that have sanctuary that are coming across the border and killing Americans... We gotta engage the Pakistanis to do something about that," he said.

Campbell calls the Haqqani network the most lethal threat to Afghanistan, where U.S. forces are entrenched in a near decade-old war.

"The Haqqani piece, it's sort of like a Mafia-syndicate. And I don't know at what level they're tied into the ISI -- I don't. But there's places ... that you just see that there's

BIN LADEN INTELLIGENCE OPERATION

2007 U.S. intelligence uncovers name of Bin Laden's trusted courier but fails to locate him

2009 U.S. intelligence identifies areas in Pakistan where the courier and his brother operate

2010 Aug U.S. intelligence pinpoint compound in Abbottabad where the two brothers, their families, and a third large family are living

2010 Sep. CIA briefs President Obama on the high probability that Bin Laden may be located at the compound

2011 Feb. U.S. government determine there was sound intelligence to pursue lead and develop plans of action

Mar. 14 Obama starts first of five National Security Council meetings on developing options to capture or kill Bin Laden

Apr. 28, Thursday President Obama hold crucial meeting with his advisers
 Debate on three options:
 1. A raid on the compound by a small group of elite U.S. forces
 2. Conduct a strike
 3. Wait for information and greater clarity

Friday President Obama decides in favour of an immediate raid

Sunday U.S. forces assault with helicopters. Bin Laden and four others are killed in late night operation

Source: Reuters, New York Times Photo: Reuters

collusion up and down the border," he said.

DRONE WARS

ANOTHER CONTENTIOUS subject discussed on Pasha's trip to Washington was the use of missile-firing drones to attack suspected militant camps on Pakistani territory.

Once Obama moved into the White House, the drone program begun by the Bush Administration not only continued, but according to several officials, increased. Sometimes drone strikes in the tribal areas of Pakistan took place several times in a single week.

U.S. officials, as well as counter-terrorism officials from European countries with a history of Islamic militant activity, said that they had no doubt that the drone campaign was seriously damaging the ability of al Qaeda's central operation, as well as affiliated groups like the Pakistani and Afghan Taliban, to continue to use Pakistan as a safe haven.

But the increasingly obvious use of drones made it far more difficult for either the CIA or its erstwhile Pakistani partners, ISI, to pretend that the operation was secret and that Pakistani officials were unaware of it. Since last October, the tacit cooperation

between the CIA and ISI which had helped protect and even nurture the CIA's drone program, began to fray, and came close to breaking point.

Before Pasha visited CIA headquarters in Langley, Virginia, last month, Pakistani intelligence sources leaked ferocious complaints about the CIA in general and the drone program in particular, suggesting that the agency, its operatives and its operations inside Pakistan were out of control and that if necessary, Pakistan would take forcible steps to curb them -- including stopping drone attacks and limiting the presence of CIA operatives in Pakistan.

When Pasha arrived at CIA HQ, U.S. officials said, the demands leaked by the Pakistanis to the media were much scaled down, with Pasha asking Panetta that the US give Pakistan more notice about drone operations, supply Pakistan with its own fleet of drones (a proposal which the United States had agreed to but which had subsequently stalled) and that the agency would curb the numbers of its personnel in Pakistan.

U.S. officials said that the Obama administration agreed to at least some measure of greater notification to the

Pakistani authorities about CIA activities, though insisted any concessions were quite limited.

Just weeks later, Obama failed to notify Pakistan in advance about the biggest U.S. counter-terrorist operation in living memory, conducted on Pakistani soil.

LEARNING FROM HISTORY

IT WAS DIFFERENT the first time U.S. forces went after bin Laden.

Washington's first attempt to kill the al Qaeda leader came in August 1998. President Bill Clinton launched 66 cruise missiles from the Arabian Sea at camps in Khost in eastern Afghanistan to kill the group's top brass in retaliation for the suicide bombings on U.S. embassies in Kenya and Tanzania.

The CIA had received word that al Qaeda's leadership was due to meet. But Bin Laden cancelled the meeting and several U.S. officials said at the time they believed the ISI had tipped him off. The U.S. military informed their Pakistani counterparts about 90 minutes before the missiles entered Pakistan's airspace, just in case they mistook them for an Indian attack.

Then U.S. Secretary of State William Cohen came to suspect bin Laden escaped because he was tipped off. Four days before the operation, the State Department issued a public warning about a "very serious threat" and ordered hundreds of nonessential U.S. personnel and dependents out of Pakistan. Some U.S. officials said the Taliban could have passed the word to bin Laden on an ISI tip.

Other former officials have disputed the notion of a security breach, saying bin Laden had plenty of notice that the United States intended to retaliate following the bombings in Africa.

WHAT'S NEXT?

NOW THAT THE U.S. has finally killed bin Laden, what will change?

The Pakistani intelligence official acknowledged that bin Laden's presence in Pakistan will cause more problems with the United States. "It looks bad," he said. "It's pretty embarrassing." But he denied that Pakistan had been hiding bin Laden, and noted that the CIA had struggled to find bin Laden for years as well.

Perhaps. But the last few days are unlikely to convince the CIA and other U.S. agencies to trust their Pakistani counterparts with any kind of secrets or partnership.

Recent personnel changes at the top of the

REUTERS.COM

Kamran Bokhari of Stratfor on Reuters.com:
<http://link.reuters.com/taf49r>



GOT HIM: U.S. President Barack Obama is pictured after announcing live on television the death of Osama bin Laden, from the East Room of the White House in Washington May 1, 2011. REUTERS/JASON REED

Obama Administration also do not bode well for salvaging the relationship.

Panetta, a former Congressman and senior White House official, is a political operator who officials say at least got on cordially, if not well, with ISI chief Pasha. But Panetta is being re-assigned to take over from Robert Gates as Secretary of Defense. His replacement at the CIA will be General David Petraeus, the commander of U.S. military operations in neighboring Afghanistan.

The biggest issue on Petraeus's agenda will be dealing with Pakistan's ISI. The U.S. general's relationship with Pakistani Army chief of Staff Kayani, Pasha's immediate superior, is publicly perceived to be so unfriendly that it has become a topic of discussion on Pakistani TV talk shows.

"I think it is going to be a very strained and difficult relationship," said Bruce Riedel, a former adviser to Obama on Afghanistan and Pakistan. He characterized the attitude on

both sides as "mutual distrust."

After a decade of American involvement in Afghanistan, experts say that Petraeus and Pakistani intelligence officials know each other well enough not to like each other.

(Additional reporting by Rebecca Conway in Islamabad, Phil Stewart in Washington and Sanjeev Miglani in Singapore; Writing by Bill Tarrant; editing by Simon Robinson, Claudia Parsons and Jim Impoco)



SPY IN CHIEF: General David Petraeus, then Commander of the U.S. Central Command, testifies on the situation in Afghanistan during a hearing held by the Senate Armed Services Committee on Capitol Hill in Washington June 16, 2010. **REUTERS/KEVIN LAMARQUE**

PAKISTAN'S TROUBLED HISTORY

1971 - Pakistan's humiliating defeat by India in a war which led to the creation of Bangladesh helped convince the Pakistani military it could not fight India by conventional means alone. This ultimately led to its support for militant proxies. It also turned to a more militant brand of Islam to rally the country.

1977 - General Zia ul-Haq seized power in a military coup and hanged prime minister Zulfikar ali Bhutto two years later. Zia encouraged a militant Sunni brand of Islam which continues to dominate Pakistani society and the thinking of its Islamist militant groups.

1979 - After the Soviet invasion of Afghanistan, Pakistan -- supported by the United States and Saudi Arabia -- channelled funds and weapons to militant groups to fight a "jihad" against the Soviet Union. The Islamic Revolution in Iran earlier that year also increased U.S. dependence on Pakistan.

1989 - The Soviet withdrawal from Afghanistan coincided with the rise of a separatist revolt in Indian Kashmir. Many of the militants who had fought the Soviets in Afghanistan were turned instead towards fighting India in Kashmir.

1996 - The Afghan Taliban took power in Afghanistan with Pakistani support. During the Taliban rule which lasted until 2001, Kashmir-focused militant groups as well as al Qaeda used Afghanistan as a base.

1999 - General Pervez Musharraf seized power in a military coup.

2001 - After the Sept. 11 attacks on New York and Washington, the United States

REUTERS
EDITION: U.S.
News & Markets ▾
Sectors & Industries ▾
Analysis & Opinion ▾

Pakistan timeline



Bangladesh army tanks take part in a ceremonial parade in Dhaka as the country celebrates "Victory Day" on December 16. On December 16, 1971

1971

Pakistan's humiliating defeat by India in a war which led to the creation of Bangladesh helped convince the Pakistani military it could not fight India by conventional means alone. This ultimately led to its support for militant proxies. It also turned to a more militant brand of Islam to rally the country.



Followers of late General Mohan his pictures as i grave in Islama. death annivers

1971 1977 1979 1989 1996 1999 Sept. 2001 Dec. 2001 2004 2007 2008

<http://link.reuters.com/vag49r>

turned to Musharraf to help track down al Qaeda and remove the Taliban from power. Pakistan turned on its former Taliban allies and arrested al Qaeda leaders. New Delhi accused Pakistan of encouraging militant groups focused on India and Kashmir.

Dec. 2001 - An attack on the Indian parliament, which New Delhi said was carried out by Pakistani militant groups, brought India and Pakistan close to war.

2004 - Pakistan began a formal peace process with India. Musharraf reined in Kashmir-focused militant groups but did not dismantle them, according to U.S. and Indian officials. Pakistan officially banned

militant groups after the Sept. 11 attacks. **2007** - A military raid on the Lal Masjid, or Red Mosque in Islamabad, where militant leaders and others were holed up, triggered a backlash from Pakistani militants, particularly in the tribal areas bordering Afghanistan. Militants launched their own campaign of bombing inside Pakistan.

2008 - An attack on Mumbai in November killed 166 people and targeted foreigners as well as Indians. The Lashkar-e-Taiba, a militant group once nurtured by the Inter-Services Intelligence (ISI) agency to fight India in Kashmir, was blamed for the attack.

(Reporting by Myra MacDonald)

COVER PHOTO: A roadside vendor sells newspapers with headlines about the death of al-Qaeda leader Osama bin Laden, in Lahore May 3, 2011. **REUTERS/MOHSIN RAZA**

FOR MORE INFORMATION CONTACT:

<p>CLAUDIA PARSONS, DEPUTY ENTERPRISE EDITOR, AMERICAS +1 646 223 6282 claudia.parsons@thomsonreuters.com</p>	<p>CHRISTOPHER ALLBRITTON BUREAU CHIEF, PAKISTAN +92512810014 chris.allbritton@thomsonreuters.com</p>	<p>MARK HOSENBALL +1 202-354-5821 Mark.Hosenball@thomsonreuters.com</p>
--	--	--