

Subversion from Within:

Saudi Funding of Islamic Extremist Groups in the United States

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Brief Analysis

On September 10, 2003, Matthew Levitt, senior fellow in terrorism studies at The Washington Institute, testified before the Senate Judiciary Subcommittee on Terrorism, Technology, and Homeland Security. The following is an edited version of his remarks. [Read the full transcript. \(templateC07.php?CID=13\)](#)

Financing Terrorism

Well into the war on terror, Saudi Arabia continues to serve as the capital of international terrorist financing. Through groups such as the Muslim World League, the International Islamic Relief Organization, and the al-Haramain Islamic Foundation, as well as through Islamic affairs bureaus at Saudi embassies and consulates worldwide, Saudis continue to fund radical Islamic groups that support or engage in international terrorism.

Some cases are both clear cut and extreme. For example, after his arrest in Indonesia on June 5, 2002, Omar al-Farouq, al-Qaeda's operational point man in Southeast Asia, told his interrogators that al-Qaeda activities in the region were funded through a branch of al-Haramain. According to al-Farouq, "money was laundered through the foundation by donors from the Middle East." In another case, Italian wiretaps monitoring members of a European al-Qaeda cell overheard a senior operative reassuring his subordinate about funding: "Don't ever worry about money, because Saudi Arabia's money is your money."

Other cases are far more subtle, particularly the activities of a host of purportedly political or social-activist groups operating in the United States. For example, Omar Ahmed, cofounder of the Council on American-Islamic Relations (CAIR) -- an organization that has received significant funding from Saudi Arabia -- also helped found the Islamic Association for Palestine (IAP) in cooperation with Mousa Abu Marzouk, a Hamas leader and Specially Designated Terrorist. IAP, a Hamas front organization, was the first to publish the Hamas charter in English. Given this background, CAIR's pro-Hamas and pro-Hizballah positions should come as no surprise; the group regularly rises to the defense of terrorist suspects and openly supports terrorist groups. For example, in 1994, CAIR leader Nihad Awad, a former IAP employee, stated, "I am in support of the Hamas movement." More recently, CAIR employee Randall "Ismail" Royer was indicted for his role in a northern Virginia jihad network that had trained in Pakistani terrorist camps affiliated with Lashkar-e-Taiba in the hopes of fighting Indian forces in Kashmir. Two other CAIR

officials have been arrested since September 11, 2001. On December 18, 2002, Ghassan Elashi, founding board member of CAIR's Texas branch, was arrested by federal authorities on a number of charges, including conspiracy, money laundering, trafficking in illegal exports, making false statements on export declarations, and dealing in the property of a designated terrorist. Elashi also served as chairman of the Holy Land Foundation (a Hamas front group shut down by federal authorities in December 2001) and vice president of Infocom (whose offices were raided by U.S. investigators one week before the September 11 attacks). In January 2003, Bassem Khafagi, who served as CAIR's community affairs director, was arrested in New York for his alleged role in the Islamic Assembly of North America, a Saudi-funded group currently under investigation for recruiting terrorists and "instigating acts of violence and terrorism."

Nihal Awad's proud declaration of support for a designated Foreign Terrorist Organization (FTO) and Specially Designated Global Terrorist (SDGT) entity responsible for the deaths of American citizens is reminiscent of similar remarks by another prominent Muslim-American activist with connections to Saudi Arabia. In 2000, American Muslim Council (AMC) founder and former executive director Abdurahman Alamoudi announced at a rally outside the White House, "We are all supporters of Hamas. Allahu Akbar! . . . I am also a supporter of Hizballah." After President George W. Bush announced the closure of the Holy Land Foundation, which had raised \$13 million for Hamas in its last year of operation, AMC condemned the action as "particularly disturbing . . . unjust and counterproductive." AMC's position was predictable given that Alamoudi himself had attended a conference of major Islamic terrorist groups in Beirut in January 2001.

Alamoudi was arrested on September 30, 2003, for allegedly accepting \$340,000 from the Libyan government, a state sponsor of terrorism. According to recently unsealed documents, Alamoudi told officials that he "intended eventually to deposit the money in banks located in Saudi Arabia, from where he would feed it back in smaller amounts into accounts in the United States."

The Saudi Conundrum

Saudi diplomatic personnel stationed abroad play a critical role in the financing of radical Islamic organizations in the West, particularly in the United States and Europe. For example, numerous Islamic extremists have been linked to the Saudi-funded al-Nur Mosque in Berlin. One of them, Tunisian al-Qaeda associate Ihsan Garnooui, was believed to have been plotting an attack in Berlin. Muhammad Fakihi, chief of the Saudi embassy's Islamic affairs section in Germany, confessed to doling out embassy funds according to the instructions of "close friends" of Osama bin Laden. Similarly, in May 2003, Saudi diplomat Fahad al-Thumairy was denied reentry into the United States because of his links to terrorism. Like Fakihi in Berlin, Thumairy worked in the Islamic and cultural affairs section at the Saudi consulate in Los Angeles.

Instead of taking measures to address these problems, the Saudis periodically enlist public relations experts like Qorvis Communications or Adel al-Jubeir (foreign policy advisor to Crown Prince Abdullah) to defend their image in the media. In fact, the Saudis' lack of cooperation is well documented. For example, one Saudi public relations blitz came on the heels of Riyadh's refusal to cooperate with German authorities investigating links between a Saudi diplomat in Berlin and Mounir Motassadeq, who is charged with more than 3,000 counts of accessory to murder in the September 11 plot.

In light of these problems, the Saudi pledge to curb money laundering through a "Permanent Committee" and to regulate charities through a "High Commission," both newly established entities, should be welcomed cautiously. The Saudi regime has official relationships with many of these charities (e.g., the Saudi minister of Islamic affairs traditionally serves as president or secretary general of several of those charities most responsible for financing terrorism), and Riyadh has yet to curb its financial support for terrorism.

Between Talk and Action

These problems illustrate a larger issue; namely, two years after the horrific events of September 11, Washington's rhetoric still does not match its actions. For example, on September 24, 2001, President Bush announced his intention to combat terrorist financing worldwide: "If you support or sponsor [terrorists], you will not do business with the United States of America." Yet, despite the continuing evidence of Saudi complicity in financing terrorist groups, State Department spokesman Philip Reeker told reporters on December 3, 2002, that "the United States is pleased with the continued cooperation we have received from the government of Saudi Arabia in the global war on terrorism," and that "the United States is encouraged by Saudi efforts . . . in monitoring and countering the financing of terror."

The foreign funding of subversive domestic organizations linked to designated terrorist groups poses immediate dangers to U.S. national security. This much is clear: should the United States fail to transform the culture of its law enforcement and intelligence community, to enact appropriate laws and procedures, and to commit the necessary resources and resolve, the war on terror will be more difficult to fight, longer in duration, and much more costly in human life.

This special report was prepared by Jeff Cary.

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