

Combating Terrorist Financing, Despite the Saudis

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Brief Analysis

The annual conference of the Saudi World Assembly of Muslim Youth (WAMY) concludes today in Riyadh. Although it claims to be a charitable organization espousing moderate Islam, WAMY is actually one of many such organizations that, while closely linked to the Saudi government and royal family (e.g., WAMY's president is Sheikh Saleh al-Sheikh, the Saudi minister of Islamic affairs), also have documented links to international terrorism. Others include the al-Haramain Islamic Foundation, the Muslim World League, and the Benevolence International Foundation.

WAMY's Links to Terrorism

An honored guest at this week's conference was Hamas leader Khalid Mishal, who lauded suicide bombers and called for a religious ruling justifying suicide operations at another Islamic conference in January. Both Indian officials and the Philippine military have cited WAMY's funding of terrorist groups and militant Islamists (in Kashmir and the Philippines, respectively). Osama bin Laden's brother, Abdullah bin Laden, is WAMY's treasurer, and Jamal Barzinji, an officer of at least three of the organizations whose northern Virginia offices were raided by federal officials in March 2002 (see below), was listed as a WAMY representative in the 1980s. According to the Saudi Information Agency (a Saudi opposition group), WAMY also disseminates hateful literature, including books "that encourage religious hatred and violence against Jews, Christians, Shi'a and Ashaari Muslims." And earlier this year, the Romanian Intelligence Service identified WAMY as a Hamas front operating there, echoing American suspicions of WAMY's links to terrorism dating back to 1996.

Al-Haramain

Saudi minister and WAMY president Sheikh Saleh al-Sheikh is also "superintendent of all foundation activities" for the al-Haramain Islamic Foundation. Al-Haramain's website features "attestations" endorsing the charity, including one from Sheikh Abdul Aziz bin Baz, the former Grand Mufti of Saudi Arabia, who notes his own 10,000-riyal donation to the foundation.

In March 2002, a joint U.S.-Saudi order froze the accounts of al-Haramain's Bosnian and Somali offices, which were linked to the al-Qaeda-associated Egyptian al-Gama'a al-Islamiyya and Somali al-Itihad al-Islamiyah, respectively. But in August 2002, Saudi pressure led Bosnian authorities to release the assets of the Bosnian office and renew its

operating license. By September, the Saudi press reported that al-Haramain's operations in Bosnia and Somalia were actually expanding. Nor are the foundation's questionable activities limited to these two offices. After his arrest in Indonesia in June 2002, Omar al-Farouq, al-Qaeda's point man in Southeast Asia, told interrogators that a branch of al-Haramain funded al-Qaeda operations in the region. According to al-Farouq, "money was laundered through the foundation by donors from the Middle East."

The Muslim World League

In March 2002, a Treasury Department task force raided the northern Virginia offices of the Muslim World League and the League's subsidiary, the International Islamic Relief Organization, among other organizations with strong Saudi ties. The task force was searching for evidence of fundraising (or fund-laundering) on behalf of al-Qaeda, Hamas, and/or Palestinian Islamic Jihad.

In September 2002, American and Saudi officials jointly froze the assets of a senior League official in Pakistan, Wael Hamza al-Jalaidan, acting on information that he was a close associate of al-Qaeda founders Osama bin Laden and Shaykh Abdullah Azzam. Jalaidan is also listed on the U.S. Treasury Department's financial blocking list.

Interestingly, Saudi interior minister Prince Nayef bin Abdul Aziz originally denied that this joint U.S.-Saudi action had taken place, only to acknowledge later that the Saudi representative to the United Nations presented the Security Council with a letter requesting that "Jalaidan be added to the Committee's consolidated [terrorism] list." The assets of other League member organizations have also been frozen, including the Rabita Trust. Rabita, which has since changed its name to the Aid Organization of the Ulama, is based in Pakistan and began actively raising funds for the Taliban in 1999. Jalaidan is a Rabita Trust board member and onetime director general.

Benevolence International Foundation

Lajnat al-Birr al-Islamiah (LBI), renamed Benevolence International Foundation (BIF) in the early 1990s, was founded around 1987 by Saudi Shaykh Adil Abdul Galil Betargy, with branches in Saudi Arabia and Pakistan. According to the U.S. government, "one of the purposes of LBI was to raise funds in Saudi Arabia to provide support to the mujahideen then fighting in Afghanistan" and to provide "cover for fighters to travel in and out of Pakistan and obtain immigration status."

In December 2001, U.S. authorities raided BIF's Chicago offices, where they found videos and literature glorifying martyrdom. Then, on March 19, 2002, Bosnian authorities searched BIF's Sarajevo offices and seized weapons, booby traps, false passports, and plans for making bombs. This search also yielded an al-Qaeda organizational chart; notes on the formation of al-Qaeda by bin Laden, Azzam, and others; and "a list of wealthy sponsors from Saudi Arabia," including references to bin Laden. BIF's bank accounts were blocked by the U.S. Treasury Department in January 2002, and in October the foundation's executive director, Enaam Arnaout, was charged with conspiracy to provide material support to terrorists. Documents and cooperating witnesses indicate that Arnaout facilitated money and weapons transfers for bin Laden through BIF and had a personal relationship with both bin Laden "and many of [bin Laden's] key associates dating back more than a decade." The U.S. government affidavit asserts that Arnaout signed documents listing senior al-Qaeda member Mamdouh Salim as a BIF director when the latter traveled to Bosnia. Mohamed Bayazid, a bin Laden operative involved in efforts to obtain nuclear and chemical weapons for al-Qaeda, listed BIF's address as his residence on an application for a driver's license.

Skirting Saudi Noncooperation

More than a year into the war on terrorism, Saudi officials continue to actively support organizations that finance international terrorism. For example, several recent reports trace continued funding of al-Qaeda to Saudi Arabia. A Canadian intelligence report concluded that Saudi charities funnel \$1 to 2 million per month to the organization, while a Council on Foreign Relations task force described Saudi individuals and charities as "the most important

source of funds for al-Qaeda" and decried the fact that the Saudi government turned "a blind eye" to this activity. Meanwhile, the UN has reported that al-Qaeda finances are "fit and well" and -- as recent events attest -- that "the prime targets of the organization are likely to be persons and property of the United States of America and its allies."

In the wake of attacks like those in Bali and Moscow, and in light of Saudi noncooperation in curbing terrorist financing, the United States and its allies must develop joint measures to make the global economy less hospitable to terrorist financing. They should do so with or without Saudi cooperation. An example of what is needed is the ongoing U.S. effort to secure European cooperation in freezing the assets of several principal financial backers of al-Qaeda, most of them wealthy Saudis.

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