

Words and Actions:

Leading by Example

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Brief Analysis

In the wake of this weekend's heinous Hamas suicide attacks in Israel, President Bush demanded, "Now more than ever, Chairman Arafat and the Palestinian Authority must demonstrate through their actions and not merely their words their commitment to fight terror." Last month the administration designated Hamas and Palestinian Islamic Jihad (PIJ) as Specially Designated Global Terrorists (SDGTs). Today, the administration led by example, following up on its strong words to Arafat with action of its own. The president characterized Hamas as a group of "global reach" and announced the freezing of financial assets associated with three organizations linked to Hamas as part of the administration's effort targeting terrorist fundraising. With today's order, the president expanded the active war on terrorism beyond al-Qaeda and the Taliban to include groups who target the Middle East peace process.

Hamas Fundraisers

The groups targeted today are the Holy Land Foundation for Relief and Development, a charity organization headquartered in Richardson, Texas, as well as two financial groups located within the PA -- al-Aqsa International Bank, and Beit al-Mal Holdings Company.

According to its year 2000 tax return, Holy Land Foundation total revenue exceeds \$13 million. U.S. officials say these funds are used by Hamas to support schools and indoctrinate children to grow up into suicide bombers. Money raised by the Holy Land Foundation is also used by Hamas to recruit suicide bombers and to support their families. Five days before the September 11 attacks, the FBI raided the offices and froze the assets of Infocom, an Internet company that shares personnel, office space, and board members with the Holy Land Foundation, officials said. The two organizations were formed in California around the same time, and both received seed money from Hamas leader and Specially Designated Terrorist Mousa Abu Marzook.

Officials characterized Beit al-Mal and Al Aqsa International Bank as "direct arms of Hamas, established and used to do Hamas business." The two financial institutions are also reported to have overlapping boards, with most Beit al-Mal stockholders holding Al Aqsa stock as well. In an indication that other such organizations may face similar financial blocking orders, officials said today's announcement demonstrates the administration's determination to

take more than symbolic gestures to cut off funds for charity groups that provide financial or other support to terrorist organizations.

Mixed Messages

Until now, the administration has focused its energy on maintaining coalition support for phase one of the war on terrorism: the eradication of bin Laden's Al Qaeda network and its Taliban hosts. To be sure, senior officials did make a series of statements condemning Palestinian terrorism. National Security Advisor Condoleezza Rice stated that "You cannot help us with Al Qaeda and hug Hizbollah -- that's not acceptable -- or Hamas." The president told the United Nations that "no national aspiration, no remembered wrong can ever justify the deliberate murder of the innocent." But these clear and determined words were not followed by action against Palestinian terrorists or those who support them. In particular, until this weekend, the administration avoided taking any concrete action against terrorism targeting Israel by groups such as Hamas, PIJ, PFLP, and Hizbollah.

This weekend's attacks, the most devastating string of terrorist attacks in Israel since the string of suicide bus bombings in February-March, 1996, appear to have tipped the scales within Washington's policymaking circles. Officials indicated that the president's words to Mr. Arafat demanding concrete action against Palestinian terrorists were carefully chosen to parallel his demands two months ago that the Taliban government in Afghanistan root out the terrorists of Al Qaeda in their midst. While the action behind today's decision was clearly not drafted overnight, the timing of the announcement is extremely significant. The United States has demanded action and set a standard.

What the U.S. Can Do

There is still more America can and should do to fully integrate Palestinian Foreign Terrorist Organizations (FTOs) into the strategic crosshairs of the war on terrorism. These could include:

1. The White House Coalition Information Center announced today that "Those who do business with terror will not do business with the United States or anywhere the United States can reach." The administration should follow up on today's action with further financial blocking orders targeting other front organizations both in the United States and abroad that provide financial or other logistical support to terrorist groups.
2. Beyond front organizations, warnings highlighting the cost of failing to combat terrorism must be applied to states as well. In the event of continued defiance, the United States should follow through with diplomatic and economic sanctions against Lebanon, Syria, the PA or any other regime that refuses to freeze terrorist assets. The United States should also press its European allies to at the least suspend discussion with Iran about a trade agreement until Iran stops financing Hamas, PIJ, and Hizbollah terrorism. Europe should also warn Iran that punitive economic measures will be adopted if Iran keeps funding terror.
3. In addition to terrorist groups, front organizations and states that facilitate terrorist activity, the administration should continue to target individual terrorists as well. Now that the war has been expanded beyond Al Qaeda, senior terrorists associated with Hamas, PIJ, and other groups should be added to existing terrorist lists. Additionally, the names of Palestinian terrorists involved in attacks that killed or wounded Americans should be added to the State Department's Rewards for Justice program. The program offers cash rewards for information leading to the arrest of individuals who attempted or committed a terrorist act against U.S. persons or property.

What the PA Can Do

Having led by example and set the standard, the PA must now be held accountable to immediately follow through with sustained counterterrorism effort of its own. This effort must include:

1. The PA must arrest Hamas, PIJ, PFLP, and other militants known to have planned, executed or abetted logistically, financially or otherwise terrorist attacks. This includes, but must not be limited to, those responsible for these most

recent attacks. As Secretary Powell stated, Arafat must "not just pick up the perpetrators, but take action to make sure that there are not other perpetrators from these organizations getting ready to commit further acts." Since this weekend's suicide bombings, the PA has reportedly only arrested low level Hamas members. Key terrorists are still on the street.

2. The PA must make a conscious decision that, in the words of the White House spokesman, "the Palestinian jails not only have bars on the front, but no longer have revolving doors at the back." Terrorists must be put in what Secretary of State Powell calls "real jails, where they are not walking free several days later."

3. The PA must end its support, sometimes tacit, sometimes complicit, for Palestinian terrorism. It must put an end to the cooperation between elements of the PA police and security establishments, Fatah militias such as the Tanzim, and terrorist groups such as Hamas, PIJ and others.

4. The PA must stop inciting the Palestinian street to violence, glorifying suicide bombers, and vacillating on condemning attacks against Israelis.

Conclusion

Asked if United States has any plans to go after Hamas or Palestinian Islamic Jihad, White House spokesman Air Fleischer stated yesterday, "The United States is still involved in phase one of defending our nation against the attack that took place, and that involves Afghanistan and the al Qaeda organization and the Taliban." Today the administration in effect inaugurated phase one-and-a-half by expanding the war on terrorism to include terrorists seeking to undermine the Middle East peace process.

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