

# Saudi Arabia's Terror: What Hillary Clinton Knows

by Jeffrey Steinberg

Dec. 14—Soon after being sworn in as Secretary of State, and just months after the deadly terrorist assault on the Indian city of Mumbai (Nov. 26, 2008), Hillary Clinton established an inter-agency task force with the Treasury Department to identify and disrupt terrorist funding conduits. The Interagency Illicit Finance Task Force (IFTF) was placed under the control of Richard Holbrooke, the special Envoy for Afghanistan and Pakistan, and chaired by Assistant Secretary of Treasury David Cohen, the top aide to Treasury Enforcement chief Stuart Levey. According to a Dec. 30, 2009 secret State Department memo, recently made public by Wikileaks and the *Guardian* newspaper, “The IFTF’s activities are a vital component of the USG’s Afghanistan and Pakistan (Af/Pak) strategy dedicated to disrupting illicit finance flows between the Gulf countries and Afghanistan and Pakistan.”

The December 2009 document, circulated to U.S. diplomatic posts throughout Southwest and South Asia, was issued in preparation for a visit by Holbrooke and Levey to Saudi Arabia, the U.A.E., Kuwait, Qatar, and Pakistan, to press for further cooperation in the crackdown on terror funding. In the section of the memo dedicated to Saudi Arabia, there was little attempt to conceal the fact that the Saudis were stonewalling:

“While the Kingdom of Saudi Arabia (KSA) takes seriously the threat of terrorism within Saudi Arabia, it has been an ongoing challenge to persuade Saudi officials to treat terrorist financing emanating from Saudi Arabia as a strategic priority.” While acknowledging some limited recent cooperation, as the result of intense U.S. pressure, the document bluntly continued, “Still, donors in Saudi Arabia still constitute the most significant source of funding to Sunni terrorist groups worldwide.

“(S/NF) The USG engages regularly with the Saudi



U.S. State Department/Michael Gross

*Soon after the November 2008 Mumbai bombings, Secretary of State Hillary Clinton established a task force to identify and disrupt terrorist funding conduits. Among the chief targets for investigation was the Kingdom of Saudi Arabia.*

Government on terrorist financing. The establishment in 2008 of a Treasury attaché office presence in Riyadh contributes to robust interaction and information sharing on the issue. *Despite this presence, however, more needs to be done since Saudi Arabia remains a critical financial support base for al-Qa'ida, the Taliban, LeT, and other terrorist groups, including Hamas, which probably raise millions of dollars annually from Saudi sources, often during Hajj and Ramadan. In contrast to the increasingly aggressive efforts to disrupt al-Qa'ida's access to funds from Saudi sources, Riyadh has taken only limited action to disrupt fundraising for the UN 1267-listed Taliban and LeT-groups that are also aligned with al-Qa'ida and focused on undermining stability in Afghanistan and Pakistan.*” (emphasis in original)

The cable was signed by Secretary of State Clinton.

An earlier State Department cable, dated Aug. 10, 2009, documented fundraising operations in Saudi Arabia by the Pakistan-based group Lashkar-e-Tayyiba (LeT), the organization that carried out the deadly Mumbai attack. Prepared in opposition to an LeT front group's petition to be removed from a United Nations sanctions list, the State Department cable demonstrated that U.S. government intelligence agencies had established a detailed map of LeT operations in Saudi Arabia: "The Community assesses that LT [LeT], a Pakistan-based terrorist group, uses the JUD (Jamaat-ud-Dawah) name as an alias. JUD is a religious, educational and humanitarian organization that the Community assesses provides cover and protection for LT's militant activities in Pakistan. LT and JUD share many senior leaders; LT falls under the authority of JUD leader Hafiz Muhammad Saeed; and JUD supports and facilitates LT's violent activities. LT and JUD stem from the same original organization, Markaz-ud-Dawawal-Irshad (MDI) that was founded around 1986 and for which LT served as its armed, militant wing. MDI was renamed JUD in December 2001. LT was declared a terrorist organization in January 2002, and MDI publicly divested itself of the LT at that time. LT transferred most of its assets and personnel under the newly formed JUD.... *In December 2005, an official of Idara Khidmat-e-Khalq forwarded JUD donation receipts to a probably LT front company in Saudi Arabia, where an LT financial official may have been closely associated with the general manager... To demonstrate results to donors, JUD would finance the cost of building a new school or upgrading facilities at a madrassa, but would inflate the cost to siphon money to LT.*" (emphasis in original)

A Jan. 11, 2010 State Department cable detailed a Dec. 13, 2009 briefing by Treasury Department Acting Assistant Secretary of the Office of Intelligence and Analysis, Howard Mendelsohn, to senior officials of the Saudi intelligence organization, Mabathith, concerning Taliban fundraising in Saudi Arabia. "During the course of the multi-hour intelligence exchange session, GRPO and Treasury analysts walked through the previously shared intelligence, which suggested that Taliban-related financial officials have visited Saudi Arabia in order to raise funds.... Mendelsohn stated that senior Taliban officials travel to Saudi Arabia to discuss reconciliation issues, but said they also conduct fundrais-

ing activities while in the Kingdom.... Treasury analysts provided information on XXXXXXXXXXXX three senior Taliban officials who have made multiple fundraising visits to Saudi Arabia, according to U.S. intelligence. (NOTE: Information available to the USG and shared for this exchange included telephone numbers, e-mail addresses, and passport information for cross-checking against Saudi customs databases. END NOTE.) Mabathith was not familiar with the individuals and pledged to follow up on the identifying information provided by GRPO and Treasury. GRPO and Treasury analysts also shared names and phone numbers of multiple Taliban and Haqqani associates known either to reside in or travel to Saudi Arabia.... Mendelsohn also raised USG concerns about Pakistan-based extremist group Jamaat al-Dawa al-Quran wa al-Sunna (JDQ) and its involvement in attacks against coalition forces in Afghanistan. GRPO and Treasury passed names and other identifying information of suspected Saudi Arabia-based JDQ donors and affiliates."

### Outright Collusion

A senior U.S. intelligence official, deeply involved in the probe of Saudi government protection of Sunni terrorist groups, used much more blunt language to describe the situation. "The reality is far worse than the picture presented in the diplomatic cables. There is no real Saudi cooperation. Even after the Saudis passed laws against money laundering in the Kingdom, they have done absolutely nothing. The issue is fundamentalism. The Saudis are the main patrons of Sunni fundamentalism, and they only draw the line when organizations like al-Qa'ida target the Saudi royal family. We know the story, but we are dependent on Saudi oil, and on Saudi purchases of U.S. military equipment. They literally have us over a barrel."

Asked about the implications of this Saudi support for Sunni terrorism on the Sept. 11, 2001 attacks on the World Trade Towers and the Pentagon, the source, who spoke on condition of anonymity, rolled his eyes. "Ask the Bush White House people. I know personally of 15 U.S. intelligence reports on the bin Laden family that were sealed by President Bush shortly after 9/11. Remember that the first planes allowed to fly over U.S. airspace after the 9/11 attacks carried members of the bin Laden family and other top Saudis out of the country."

The source also pointed to a 28-page chapter, prepared for the Joint Congressional Panel on the 9/11 at-



White House/Eric Draper

*When asked about the possible connections between the Saudi support for terrorism and 9/11, a senior U.S. intelligence official said: "Ask the Bush White House people." Shown, then-President George W. Bush meets with Saudi Prince Bandar at the Crawford, Texas ranch, August 2002.*

tacks, which was also put under Bush White House lock-and-key, where it remains to this day. That chapter dealt with then-Saudi Ambassador Prince Bandar bin-Sultan's funding of two of the 9/11 hijackers, through Saudi Embassy accounts at Riggs National Bank.

The source continued, "The coverup was unbelievable. The two 9/11 hijackers living in San Diego, the same two that received the payments from Prince Bandar and his wife, ostensibly for medical care, were living in the home of a Saudi man who was an FBI informant. When Senate investigators tried to interview the man, the Bureau blocked any contact. When a Saudi intelligence officer who hosted the two 9/11 hijackers, from the moment they arrived on the West Coast a year before the attacks, was interviewed by the 9/11 Commission investigators in Saudi Arabia, Saudi intelligence minders were in the room. The interrogation went nowhere."

### **Al-Yamamah**

The Saudis' partner in the funding and protecting of Sunni terrorists worldwide are the British, and one key mechanism for that collusion is the longstanding Anglo-Saudi arms-for-oil barter scheme called Al-Yamamah (the dove, in Arabic).<sup>1</sup> Beginning in 1986, Prince Bandar

brokered a deal with the British government and the British weapons cartel, BAE Systems, to provide fighter jets, radar, training, and logistical and spare parts support to the Saudi Air Force. Saudi Arabia paid for the military package with crude oil, which BAE promptly sold on the international spot market. In the course of the deal, an estimated \$100 billion in excess funds were siphoned into offshore accounts, to finance black operations worldwide, including the sponsorship of the Afghan mujahideen organizations, then fighting the Soviet Red Army occupation of Afghanistan.

According to the recently leaked State Department documents, al-Qaeda, Taliban, and LeT are all still receiving Saudi funding, just as they were funded during the height of the mujahideen operations through the BAE-Al-Yamamah

secret funds. As the Aug. 10, 2009 State Department cable reported on LeT fundraising operations in Saudi Arabia: "Lashkar-e-Tayyiba and Jamaat-ud-Dawa are part of the same organization, originally called Markaz-ud-Dawawal-Irshad (MDI), that was founded by Hafiz Muhammed Saeed and other faculty at the University of Engineering and Technology in Lahore in 1986. MDI was established with funding from donors in the Middle East and set up camps to prepare its personnel to fight the Soviets in Afghanistan. MDI reorganized after the Soviet withdrawal from Afghanistan in 1989, creating LT as its paramilitary wing to fight in the Indian-controlled districts of Jammu and Kashmir."

What is clear from the 39 pages of State Department cables, leaked to the media, is that the U.S. knows, chapter and verse, just how deeply the Saudi regime is involved in supporting and protecting Sunni terrorists around the globe, including the 9/11 hijackers, al-Qaeda, and the LeT terrorists behind Mumbai.

It is time for the truth to come out, and one appropriate starting point would be the 28-page chapter from the Joint Congressional 9/11 probe. With the release of the State Department cables, it is no longer a secret that the Saudi regime is deeply involved with terrorist networks that are, to this day, targeting Americans, whether in Afghanistan, India, or right here at home. There are no legitimate national security reasons to hide crucial evidence about the events of Sept. 11, 2001.

1. See Jeffrey Steinberg, "Will BAE Scandal of Century Bring Down Dick Cheney?" *EIR*, June 29, 2007 (<http://tiny.cc/0xa22>).