

HSBC Funding Was Behind the Terror in Bangladesh, Mumbai

by Ramtanu Maitra

On July 17, the U.S. Senate released a report on the old British colonial drug bank Hongkong and Shanghai Banking Corp.'s (now called HSBC) ties to drug-money laundering and funding of terrorists through Saudi and Bangladeshi banks. That is, however, just one part of HSBC's role. The other part was to flow billions in drug money, laundered through offshore operations, into the bankrupt City of London and Wall Street banks, providing them with cash used to control influential leaders around the world.

During the British Empire's heyday, Hong Shang Bank was in full control of the opium trade to fund the Empire. During the late 18th Century, more than 50% of the Empire's income came from India's opium fields, whose output was then sold to Chinese retail opium markets. This has been documented in depth by *EIR's Dope Inc.*, published in 1978.

Since then, Britain's drug-money-laundering policy has not changed, but has morphed a bit, although the Empire, as a physical entity, ceased to exist. Now, with Wall Street and the City of London joined at the hip, almost a trillion dollars generated annually through drug operations has become a major source of liquidity for these two mega-financial districts.

The report of the U.S. Senate Permanent Subcommittee on Investigation (see above) shows how Afghan opium/heroin money, which was about \$800 billion in street value in 2007, played a role in triggering terrorist activities in South Asia—the massive attack on Mumbai in November 2008, in particular—and how that arrangement was set up.

Afghan Opium for Bankers and Terrorists

There is a general impression that Afghanistan has always been the center of opium production. In fact, it has not. Prior to the Soviet invasion in 1979, opium production in Afghanistan was less than 1,000 tons; that grew to 8,200 tons (based on conservative UN

Office on Drugs and Crime/UNODC figures) in 2008. Throughout this period, Afghanistan was in a state of war. Following the Soviet invasion, the anti-Soviet powers, particularly, the U.S., U.K., and Saudi Arabia, began generating larger amounts of drug money to finance much of the war to defeat the Soviets. Since 1989, after the Soviet withdrawal, there has been an all-out civil war in Afghanistan, as the U.S.-U.K.-Saudi-created mujahideen dipped further into the opium/heroin money.

Beginning 1995, it was the synthetic Taliban militia, created by the Saudis and the Pakistani ISI/military, who jacked up the drug production to finance their militia operation. After 2001, when the Taliban was ousted by the U.S./NATO forces, opium/heroin production took off, particularly since 2005. That was an important year in the drug money/terrorist-funding operation that led to the attack on Mumbai, India.

Opium production in Afghanistan between 1979 and 2005, however, did not grow steadily, but rather, as demanded for drug-money and terrorist operations. According to UNODC records, in 1994, the production was 3,416 tons. It fell to 2,000-plus tons until 1998. In 1999, the Taliban, having set up its money-laundering operations in Dubai with the help of the Indian drug trafficker/gun-runner/terrorist Dawood Ibrahim, jacked up production to 4,565 tons. Then, production fell abruptly to a mere 185 tons in 2001, when the U.S. invaded Afghanistan. Production rose to 4,200 tons in 2005, and then, it exploded, reaching 8,200 tons in 2007; 7,700 tons in 2008; and 6,900 tons in 2009.

What was happening in Afghanistan during this period that caused opium production to soar to those levels? History shows that the U.S. invasion in 2001 came close to wiping out the Taliban forces; the Afghan people, at least at that point in time, because of the Pakistani-Saudi links to the Taliban, and the oppressive nature of the Wahhabi-indoctrinated regime, supported the invading American and NATO forces. That began to change in 2005.

The year 2005 is important in this context, since one of the most damning parts of the U.S. Senate report details HSBC's relationship with the Saudi-based Al Rajhi Bank, a member of Osama bin Laden's "Golden Chain" of important al-Qaeda financiers. The HSBC-Al Rajhi relationship has spanned decades; perhaps that is why, even when HSBC's own internal compliance offices asked that it be terminated in 2005, and even when the U.S. government discovered hard evidence of Al Ra-



The attacks across Mumbai were carried out over a four-day period, Nov. 26-29, 2008, and killed more than 160 people. The attackers relied on the networks of the well-known drug/terror kingpin Dawood Ibrahim. Shown: the Taj Mahal Hotel in Mumbai, one of multiple targets of the terrorists.

jhi's relationship with terrorism, HSBC continued to do business with the bank until 2010.

In fact, the report said, Al Rajhi's links to terrorism were confirmed in 2002, when U.S. agents searched the offices of a Saudi non-profit U.S.-designated terrorist organization, Benevolence International Foundation. In that raid, agents uncovered a CD-ROM listing the names of financiers in bin Ladin's Golden Chain. One of those names was Sulaiman bin Abdul Aziz Al Rajhi, a founder of Al Rajhi bank.

Setting Up Drug Money-Laundering and Terror-Financing

Why did HSBC not terminate its links with the Al Rajhi in 2005? The answer lies in what was then put in place in Afghanistan to generate large amounts of cash. When it comes to opium/heroin and offshore banks, Britain rules supreme. In 2005, poppy fields in southern Afghanistan began to bloom, and it became evident to the bankers and the geopoliticians of Britain and the U.S. that cash to support the financial centers and the terrorists could be made right there.

It was announced on Jan. 27, 2006 in the British Parliament that a NATO International Security Assistance Force (ISAF) would be replacing the U.S. troops in Helmand province as part of Operation Herrick. The British

16 Air Assault Brigade would make up the core of the force. British bases were then located in the districts of Sangin, Lashkar Gah, and Gereshk.

As of Summer 2006, Helmand was one of the provinces involved in Operation Mountain Thrust, a combined NATO-Afghan mission targeted at Taliban fighters in the south of the country. In July 2006, the offensive essentially stalled in Helmand, as NATO (primarily British) and Afghan troops were forced to take increasingly defensive positions under heavy insurgent pressure. In response, British troop levels in the province were increased, and new encampments were established in Sangin and Gereshk. In Autumn 2006, some 8,000 British troops

began to reach "cessation of hostilities" agreements with local Taliban forces around the district centers where they had been stationed earlier in the Summer, and it is then that drug-money laundering began in earnest.

This drug money, at least a good part of it, is generated in this area with the help of Dawood Ibrahim, who also played a role in helping the Mumbai attackers by giving them the use of his existing network in Mumbai. At the time, Ibrahim worked on behalf of the British, and ran his operation through the British-controlled emirate of Dubai. Drugs came into Dubai through Dawood's "mules," protected by the Pakistani ISI and British MI6; the dope was shipped in containers which carried equipment sent there for "repair" from Kandahar and elsewhere in southern Afghanistan. British troops controlled Helmand province, where 53% of Afghanistan's gargantuan 8,200 tons of opium was produced in 2007.

The drugs were converted, and still are today, to cash in Dubai, where Dawood maintains a palatial mansion, similar to the one he maintains in Karachi. Dubai is a tax-free island-city, and a major offshore banking center. The most common reason for opening an offshore bank account is the flexibility that comes with it.

With the development of the Dubai International Financial Centre (DIFC), which is the latest free-trade

zone to be set up there, flexible and unrestricted offshore banking has become big business. Many of the world's largest banks already have significant presence in Dubai—big names such as Abbey National Offshore, HSBC Offshore, ABN Amro, ANZ Grindlays, Banque Paribas, Banque de Caire, Barclays, Dresdner, and Merrill Lynch, all have offices in the Emirate already.

In addition to Dubai, most of the offshore banks are located in former British colonies, and all of them are involved in money laundering. In other words, the legitimization of cash, generated from drug sales and other smuggled illegitimate goods, into the “respectable banks,” is the modus operandi of these offshore banks. The drugs that Dawood's mules carry are providing a necessary service for the global financial system, as well as for the terrorists who are killing innocents all over the world.

In December of 2007, this Britain-run drug-money-laundering and terrorist-networking operation was about to be exposed, when Afghan President Hamid Karzai learned that two British MI6 agents were working under the cover of the United Nations and the European Union, behind his back, to finance and negotiate with the Taliban. He expelled them from Afghanistan. One of them, a Briton, Michael Semple, was the acting head of the EU mission in Afghanistan, and is widely known as a close confidant of Britain's Ambassador, Sir Sherard Cowper-Coles. Semple now masquerades as an academic analyst of Afghanistan, and was associated with the Harvard Kennedy School's Carr Center. The second man, an Irishman, Mervin Patterson, was the third-ranking UN official in Afghanistan at the time that he was summarily expelled.

These MI6 agents were entrusted by London with the task of using Britain's 7,700 troops in the opium-infested, Pushtun-dominated, southern province of Helmand to train 2,000 Afghan militants, ostensibly to “infiltrate” the enemy and “seek intelligence” about the lethal arms of the real Taliban. Karzai rightly saw it as Britain's efforts to develop a lethal group within Afghanistan, a new crop of terrorists.

The drug money thus generated to fund the financial centers and terrorists was also responsible for ongoing terrorist attacks that have destabilized most of South Asia. The most important of these was the massive attack on Mumbai, which killed 166 people at the railroad station, two major hotels, and a Jewish Community Center. It was a well-organized and long-planned attack. While the Pakistani ISI was the keeper of these

terrorists, they had links to the United States, U.K., Saudi Arabia, and Bangladesh, not to speak of Dawood Ibrahim's network inside India.

The Bangladesh Connection

The July 17 U.S. Senate Report mentioned HSBC's links to two terrorist banks in Bangladesh, Islami Bank Bangladesh Ltd (IBBL) and Social Islami Bank Ltd. The report, prepared by a team led by Sen. Carl Levin, said that Al Rajhi Bank was associated with Islami Bank Bangladesh, which provided an account to a Bangladeshi who had been accused of involvement in a terrorist bombing. In the case of Islami Bank, the factors included substantial ownership of the bank by Al Rajhi, the central bank's fines for failing to report suspicious transactions by militants, and an account provided to a terrorist organization.

Al Rajhi Bank provided a correspondent account to Social Islami Bank, whose largest single shareholder for many years had been the International Islamic Relief Organization (IIRO), a “charity” based in Saudi Arabia. A second shareholder was the precursor to the Benevolence Islamic Foundation, also later designated by the U.S. as a terrorist organization, said the report. In the case of Social Islami Bank, the factors included ownership stakes held by two terrorist organizations whose shares were exposed but never sold as promised, and a bank chairman found to be involved with criminal wrongdoing.

Since the focus of India's investigation was directed toward Pakistan, the Bangladesh connection to the attack was never fully exposed. Some early reports indicated that some SIM cards in the cell phones used by the Mumbai attackers belonging to the Pakistan-headquartered Lashkar-e-Taiba (LeT) terrorist group, were purchased a month earlier from three different locations in Kolkata, and sent to Pakistan via Bangladesh.

A July 22, 2011 *Asia Times* article, “Bangladesh link to Mumbai blasts tests ties,” by Syed Tashfin Chowdhury, said that Abdullah Khan, of the Indian Mujahideen (IM), was possibly involved in the logistics set up for the Mumbai attack. The article said: “Abdullah Khan is now ‘operating the IM module which is assigned to maintain liaison with the Bangladesh-based Harkat Ul Jihad Al Islami (HuJI) and, in a joint venture, has recruited a few new cadres for their outfit.’” Investigators said that even six months ago, Khan was stationed in Nepal, and used to shuttle between Bangladesh and Pakistan, the article said.

Abdullah Khan's terrorist activities were reported again in 2011. According to Indian media reports, Khan was the suspected mastermind of the serial bomb blasts that killed at least 19 people and injured over 130 more in Bangladesh in July 2011.

But it seems either the trail ended there, or investigators did not follow the leads. Bangladesh has serious terrorism problems. It has two major political parties, the Awami League (AL), now in power, and the Bangladesh Nationalist Party (BNP). BNP, led by former Prime Minister Khaleda Zia, has its political base entrenched in two groups of Bangladeshis. These are the anti-India population and the pro-jihadi faction. To build a political movement on the basis of this ideology immediately attracts the usual providers, such as Britain, which still would like to see India break into pieces, or stay in a state of instability which would stymie its growth potential; and the Wahhabi-promoting Saudis.

There are more than 100 Islamic groups in Bangladesh. Most of them are funded from Saudi Arabia and some of them, such as Muslim Aid (U.K.) and Hizb ut-Tahrir, which were involved in assassination attempts on Prime Minister Sheikh Hasina Wazed, are directed by the MI6-controlled "Londonistan" Islamic forces.

The Islami Bank Bangladesh, linked to militancy and controlled by the Jamaat, has been accused of funneling money to al-Qaeda-linked militants and supporting radical Islamism in other countries. Yassin Qadi, a U.S.- and UN-designated financier of terrorism, is also close to the bank. Qadi is a Saudi businessman and son-in-law of Sheikh Ahmed Salah Jamjoom, a foreign sponsor of IBBL. Jamjoom is a former commerce minister in the Saudi government. The Kuwaiti-based Revival of Islamic Heritage Society (RIHS) also had accounts at the bank that are suspected of financing terrorism in Bangladesh and elsewhere. It is believed that the organization helped finance the Aug. 17, 2005 serial bombings in Bangladesh.

A major go-between in this operation is Tarique Rahman, Khaleda Zia's son, and perhaps the most powerful individual within the BNP. Rahman, senior vice chairman of BNP, is now under threat of arrest on a number of criminal charges. He has fled to—yes, you guessed it—London. He was allowed to leave Dhaka as he sought treatment at Wellington Hospital in London. At the airport he signed a statement forcing him to retire from BNP politics in Bangladesh. At present, reports indicate, Tarique is living in a rented accommodation in Edmonton, London, with his wife and daughter, and re-

ceiving treatment for his broken spinal cord.

According to available reports, Tarique and his crony Giasuddin al-Mamun, managing director of Channel 1 television, who has been recently charged with money-laundering at the Dhaka Court, were under inspection by the intelligence agencies, and their findings started making headlines: bank accounts in Switzerland, Singapore, South Africa, Malaysia; investments in UAE. Among others, Tarique was dealing with Dawood Ibrahim.

In March 2012, the fugitive Rahman, now under protection of MI6, was charged, along with 29 others, in the 2004 Chittagong Port arms-smuggling case. He allegedly masterminded the botched supply of 10 truckloads of Chinese arms to Paresch Baruah, the boss of the northeast Indian separatist movement ULFA, with help from the Pakistani ISI. The cache of arms included 27,020 Chinese-made grenades, 840 rocket launchers, 300 accessories of rocket launchers, 2,000 grenade-launching tubes, 6,392 magazines and 1,140,520 bullets, which, according to a Bangladeshi intelligence official, could have supplied 20 Mumbai-type attacks if they had been delivered.

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