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November 18, 2002 response, the al-Haramain Islamic Foundation (HIF) has clear ties to the Saudi Government, and intelligence reporting suggests it is providing financial and logistical support to al-Qa'ida. In 1993, HIF established its U.S.-based office in Ashland, Oregon, and that office has since received approximately \$700,000 from the parent offices in Saudi Arabia. The FBI has a pending investigation of HIF and the activities of the Portland HIF Office. As discussed above, the FBI has located correspondence between al-Bayoumi and the HIF. From the documents, it is clear that HIF was interested in appointing the imam of the mosque in Cajon, California, that al-Bayoumi managed.

The Treasury General Counsel testified about his agency's concern about the foundation:

MR. AUFHAUSER: Second, and this is important point, it also rises out of Rick's testimony, on al-Haramain, the two branch offices that we took a public and joint action against, al-Haramain really does represent a significant issue for the PCC and for terrorist financing and for the United States policy. It is, of course, the largest, I think the largest Islamic charity in the world. Its name is synonymous with charity in the Islamic world. Its direct overseers are members of the Royal Family; significant contributors are members of the Royal Family. We don't have a great deal of intelligence on the headquarters about whether they are knowingly assisting people in al-Qa'ida and others; but in significant branch offices yet to be designated and under current investigation, we have ample evidence that large cash amounts are being couriered to those branch offices, that large wire transfers of money are being sent to those offices, that a great deal of the money is being dissipated through misspending, unaccounted for, and finally, that those offices have significant contacts with extremists, Islamic extremists.

CIA officials recently testified that they are making progress on their investigations of al-Haramain.

A year ago we had a lot of reporting suggesting branch offices were tied to al-Qa'ida. Over the last year we developed a lot of intelligence and law enforcement information and we prepared a paper about a month, six weeks ago which assembled all of that. That paper gave us the first clear indication that the head of the central office is complicit in supporting terrorism, and it also raised questions about Prince Nayef.

Finally, [REDACTED], the subject of Phoenix and Portland FBI counterterrorism investigations, also has close ties to a member of the Saudi royal family. [REDACTED] no longer resides in the United States, but is still the subject of an FBI investigation. The FBI opened an

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Investigation of [REDACTED] an employee of Saudi Arabian Airlines, in 1999 after receiving information [REDACTED] that Bin Ladin lieutenant Abu Zaid had been in contact with a telephone number associated with [REDACTED] in Portland. In May 2001, two individuals were arrested in Bahrain and later admitted they were on their way to blow up U.S. facilities in Saudi Arabia. One of them had a passport that had been issued to one of [REDACTED]. The FBI's Phoenix Field Office also received source reporting in 1999 that [REDACTED] was checking security at the Southwest border and discussing the possibility of infiltrating individuals into the United States.

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The FBI has developed information that [REDACTED] has close ties with one of the Saudi princes and accompanies him on many trips, including travel to the United States. According to the FBI, [REDACTED] was recently interrogated at the detention facility at Guantanamo Bay. He informed the FBI that [REDACTED] got the job at Saudi Arabian Airlines through his contacts. He said that [REDACTED] did not earn much money in this job, but that he "had another source of income through a Saudi prince" named Khalid al-Bandari. According to [REDACTED], [REDACTED] performed miscellaneous tasks for the Prince, such as handling real estate matters and assisting the Prince's grandmother. [REDACTED] traveled many places with the Prince, including Europe, and often to the United Arab Emirates. [REDACTED] made the cryptic comment that nobody "knew everything about [REDACTED]." Although his name was on the State Department's watchlist, [REDACTED] was apparently able to circumvent the Customs Service and the Immigration and Naturalization Service because he was traveling with the Saudi prince. The FBI only learned of the trip after the fact. Agents in the FBI's Portland Field Office expressed their concern that [REDACTED] and others were using their status as Saudi Arabian Airlines employees as a cover to enable them to transport weapons in and out of the United States.

Lack of Saudi Cooperation in Counterterrorism Investigations

In testimony and interviews, a number of FBI agents and CIA officers complained to the Joint Inquiry about a lack of Saudi cooperation in terrorism investigations both before and after the September 11 attacks. For example, a veteran New York FBI agent stated that, from his

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point of view, the Saudis have been useless and obstructionist for years. In this agent's opinion, the Saudis will only act when it is in their self-interest.

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When a high-level [REDACTED] officer was asked how the September 11 attacks might have been prevented, he cited greater Saudi cooperation, pointing to an example from the summer of 2001, when the U.S. Government requested Saudi assistance, with no success. In May 2001, the U.S. Government became aware that an individual in Saudi Arabia was in contact with Abu Zubaida and was most likely aware of an upcoming al-Qa'ida operation. The U.S. Government pressured the Saudi Government to locate him. The Saudis informed the U.S. Government that they required additional information to do so. The U.S. Government agency that had originally learned of this individual's knowledge refused to provide the Saudis with additional information because it would reveal sources and methods. The National Security Council also tried to pressure the Saudis, but the Saudis would not cooperate without the additional information.

According to some FBI personnel, this type of response is typical from the Saudis. For example, one FBI agent described one investigation after September 11 in which he provided the Saudi Government with copies of the subjects' Saudi passports. The Saudi Government maintained that they had no record of the subjects.

According to the former Chief of Alec Station, the unit in the DCI's Counterterrorist Center established in 1996 to focus specifically on Usama Bin Ladin, it was clear from about 1996 that the Saudi Government would not cooperate with the United States on matters relating to Usama Bin Ladin. There is a May 1996 memo from the DCI's Counterterrorist Center [REDACTED] stating that the Saudis had stopped providing background information or other assistance on Bin Ladin because Bin Ladin had "too much information about official Saudi dealings with Islamic extremists in the 1980s for Riyadh to deliver him into U.S. hands." In a June 1997 memo to the DCI, Alec Station reemphasized the lack of Saudi cooperation and stated that there was little prospect of future cooperation regarding Bin Ladin. The former Chief of Alec Station thought that the U.S. Government's hope of eventually obtaining Saudi cooperation was unrealistic because Saudi assistance to the U.S. Government on this matter was contrary to Saudi national interests.

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testified on this issue on October 9,

2002:

On the issue of al-Qa'ida and Saudi intelligence, that goes back to our efforts to interact with the Saudi to get them to help us on investigating al-Qa'ida...for the most part it was a very troubled relationship where the Saudis were not providing us quickly or very vigorously with response to it. Sometimes they did, many times they didn't. It was just very slow in coming.

Both FBI and CIA personnel cited an individual named Madani al-Tayyib as a specific case in which the Saudis were uncooperative. The CIA and the FBI had been pressuring the Saudis for years for permission to talk to al-Tayyib. According to the former head of ALEC Station, al-Tayyib managed all of Bin Ladin's finances when Bin Ladin was in Sudan, and any expense over \$1,000 had to be approved by al-Tayyib. Al-Tayyib moved to London in 1996 to work with Khalid al-Fawwaz, another important al-Qa'ida figure who has since been arrested. In the summer of 1996, al-Tayyib returned to Saudi Arabia. The Saudis continuously refused the FBI's and the CIA's requests to talk to al-Tayyib, stating, in the words of an FBI agent, that al-Tayyib was "just a poor man who lost his leg. He doesn't know anything."

The former chief of Alec Station also cited the example of Mohammed Jamal Khalifa. Khalifa is Bin Ladin's brother-in-law and an important figure in al-Qa'ida. The U.S. Government arrested Khalifa in the United States in 1994. Khalifa had been sentenced to death *in absentia* by the Jordanian Government for his role in a bombing in Jordan. As a result, the U.S. agreed to extradite him to Jordan. The Jordanians then returned him to Saudi Arabia. In the opinion of the CIA officer, the Saudis "bought off" the Jordanians for the return of Khalifa. According to the CIA officer, when Khalifa subsequently arrived in Saudi Arabia, he was met by at least one important government official. Khalifa now works for a Riyadh-based NGO and travels and operates freely.

The General Counsel of the U.S. Treasury Department testified at the July 23, 2002 hearing about the lack of Saudi cooperation with the U.S.:

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There is an almost intuitive sense, however, that things are not being volunteered. So I want to fully inform you about it, that we have to ask and we have to seek and we have to strive. I will give you one-and-a-half examples. The first is, after some period, the Saudis have agreed to the designation of a man named Julaydin, who is notoriously involved in all of this, and his designation will be public within the next 10 days. They came forward to us 2 weeks ago and said, okay, we think we should go forward with the designation, and a freeze order against Mr. Julaydin. We asked, what do you have on him? Because they certainly know what we have on him, because we shared it as we tried to convince them that they ought to join us. The answer back was, nothing new.

MR. BEREUTER: Do you believe that?

MR. AUFHAUSER: No, I think that taxes credibility, or there is another motive we are not being told.

Status of the U.S. Intelligence Community's Investigations into Connections Between Terrorism and Saudi Government Officials

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Both the FBI and the CIA have informed the Committees that they are treating the Saudi issue seriously. According to the November 18, 2002 FBI response, the FBI and CIA have established a working group to look into the Saudi issue. The FBI formed a squad at the Washington Field Office [REDACTED] to investigate this issue and [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
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However, both the FBI and the CIA still have only a limited understanding of the Saudi Government's ties to terrorist elements. In the October 9, 2002 closed hearing, Director Mueller stated:

If I have one preliminary note of caution, it is that at this point there are more questions than answers, and I would caution against jumping to conclusions before we know a lot more.

A document located by the Joint Inquiry Staff confirms that the FBI's Washington Field Office is still in the early stages of focusing on these investigations. In an August 15, 2002, communication, a field office agent stated that [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
that same document, the Washington Field Office asked [REDACTED]
[REDACTED]

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[REDACTED] acknowledged in his testimony that the [REDACTED] understanding of this issue is limited as well.

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With regard to the specific question of have we seen the Saudi intelligence services supporting terror groups, I think the record is not clear at all on that.

Both the FBI and CIA recognized the possibility that individuals connected to the Saudi Government may be providing support to terrorists.

[REDACTED] testified:

So there is certainly a good, good chance that there are sympathizers or extremists, sympathizers possibly for al-Qa'ida within the security services.

[REDACTED] also noted that:

Abu Zubaydah said he's confident that al-Qa'ida must have contact certainly with Saudis in the United States and that al-Qa'ida and Usama Bin Laden are particularly [REDACTED] they

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Withheld under statutory authority of the
Central Intelligence Agency Act of 1949 (50
U.S.C., section 3507)

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invest significant energy in cultivating what Abu Zubaydah called good relationships with Saudis of all standing. He said bin Ladin is very pleased when Saudis, in the military, those successful in business and those close to the royal family, to lend active support to his cause. He said bin Ladin actively seeks out such relationships.

Other CIA and FBI officials echoed these remarks in recent Congressional testimony.

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U.S.C., section 3507)

What we find troubling about the cases that we learned about from FBI, both the Los Angeles cases and some of the cases that the Washington Field Office has looked at, in which you're seeing Saudi money going to people, is that it fits sort of a pattern that we've seen in terms of direct payments from the Saudis, the Saudi Government's longstanding support for very fundamentalist Wahabi and Salafi charities and movements around the world, which in a sense you see the money is going to fundamentalists and you would be very surprised if some of it doesn't bleed over into terrorist support. We've had a lot of suspicions before September 11 which we documented in a number of different papers, and again it's a lot of smoke and the issues that come up are who knows about the payments, on whose behalf are the payments being made, are they being made on behalf of the central government or are they being made by a local official or a person. Do the people who are making the payments know what's happening to the money? If they do know what's happening, why are they making the payments? Is it a form of blackmail? Do they recognize the terrorist support? There's the issue of are they regulating themselves as well as are they doing the due diligence that they ought to.

FBI Executive Assistant Director Pasquale D'Amuro testified at that same hearing:

To date I can't sit here and tell you that those lies go back, that we can prove that the Saudi royal family is sponsoring terrorism. But there's enough smoke that we are conducting several investigations to try to determine what other information is out there.

What is clear is that the FBI did not treat the Saudis as a counterterrorism threat prior to September 11, 2001.

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Michael Rolince, the former head of the International Terrorism Operations Section at FBI, testified:

The answer to your question is pre-9/11 there were not any significant preliminary inquiry or full investigations, with relatively few exceptions, conducted by the FBI looking at Saudi [REDACTED] or support to terrorism... I'm not going to stand here, Mr. Hill, and tell you in any way, shape or form [REDACTED]

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The former Assistant Special Agent in Charge in San Diego confirmed this in his testimony:

Basically [REDACTED]. They were not a country identified by the State Department as a state sponsor of terrorism. And the theme of the common modus operandi that we saw in San Diego was that if there were [REDACTED] there, their primary objective was to monitor dissidents in the interest of protecting the royal family. So they were not viewed as an imminent threat to national security.

In the October 9, 2002 closed hearing, Director Mueller acknowledged that he became aware of some of the facts regarding the Saudi issue only as a result of the investigative work of the Joint Inquiry Staff:

I'm saying the sequence of events here, I think the staff probed and, as a result of the probing, some facts came to light here and to me, frankly, that had not come to light before, and perhaps would not have come to light had the staff not probed. That's what I'm telling you. So I'm agreeing with you that the staff probing brought out facts that may not have come to this Committee.

Senator Dewine: But what you're also saying, though, is that that probing then brought facts to your attention.

Director Mueller: Yes.

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