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Intelligence Report

DCI Counterterrorist Center

12 April 2001

Pursuing the Bin Ladin Financial Target

Usama Bin Ladin's financial assets are difficult to track because he uses a wide variety of mechanisms to move and raise money. By using a combination of traditional banks, money couriers, underground bankers—known as hawala dealers—and non-governmental organizations (NGOs) to transfer funds, he capitalizes on a large, difficult-to-identify network with few long-lasting nodes for penetration.

[Redacted]

- *Couriers and hawala dealers are used to move funds [Redacted] leaving behind no paper trail. The wide use of hawala dealers in the Gulf and South Asia make it difficult to determine which are moving money for legitimate purposes and which are moving money for terrorist-related activities.*
- *Bin Ladin further distances himself from fund transfers undertaken for him by using financial lieutenants, members of al-Qa'ida, trusted sympathizers, and even businessmen who may not know they are moving money for al-Qa'ida.* [Redacted]
- *NGOs pose a significant problem because the majority of the work they do is legitimate. Bin Ladin associates or supporters [Redacted] funnel money to Bin Ladin, often under*

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the guise of humanitarian aid. These transfers are difficult to stop because we are unable to distinguish between funds earmarked for legitimate humanitarian purposes and those that support terrorist activities. [Redacted]

We have identified a number of sources of income for Bin Ladin, including NGOs, sympathetic donors, personal investments, commercial activities, and even drug trafficking. It is difficult to determine with any degree of accuracy what percentage each contributes to his overall financial position, but his assets are sufficiently diversified that eliminating access to one or two of these sources would not appreciably reduce the operational capabilities of his organization. Al-Qa'ida has shown that it is skilled at adapting to varying conditions and will seek out alternative sources of income if necessary. [Redacted]

Gaps in our understanding contribute to the difficulty we have in pursuing the Bin Ladin financial target. We presently do not have the reporting to determine how much of Bin Ladin's personal wealth he has used or continues to use in financing his organization; we are unable to estimate with confidence the value of his assets and net worth; and we do not know the level of financial support he draws from his family and other donors sympathetic to his cause. [Redacted]

The following Intelligence Report was prepared by the DCI Counterterrorist Center with contributions from the Office of Transnational Issues.

[Redacted]

[Redacted]

[Redacted]

~~Top Secret~~**Pursuing the Bin Ladin Financial Target**

Usama Bin Ladin's finances have become increasingly difficult to track since he moved to Afghanistan in 1996, and al-Qa'ida began shifting its financial activities underground. The shift was due in large part to the organization's increased need for security following the US Embassy bombings, its reluctance to rely on Afghanistan's rudimentary banking system, and a more cautious approach to operating businesses following Bin Ladin's abrupt departure from Sudan—where he reportedly was forced to liquidate most of his assets at a loss. Because it is now difficult to attribute directly any business holding or bank account to Bin Ladin or his organization, we focus on identifying the key players, his funds, and the mechanisms he uses to move them. In addition, the international community specifically targeted Bin Ladin's finances late last year by passing United Nations Security Council Resolution 1333 which calls on all members states to freeze any funds associated with al-Qa'ida. This likely will cause Bin Ladin and his associates to be even more discreet with their financial practices.

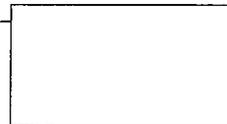
Tracking Bin Ladin's Funds - A Moving Target

Bin Ladin's extensive financial network uses a number of mechanisms to transfer the funds necessary to conduct al-Qa'ida's activities. Among these are [redacted] [redacted] underground bankers known as hawala dealers, money couriers, and financial lieutenants who oversee financial transfers, open bank accounts, and ensure that funds arrive at their appropriate destination. In addition, numerous supporters and sympathizers of al-Qa'ida take advantage of their positions with non-governmental organizations (NGOs) and charitable organizations to secretly divert funds to Bin Ladin and his associates without the knowledge of senior NGO officials. The wide-ranging mechanisms used to transfer funds are difficult to track

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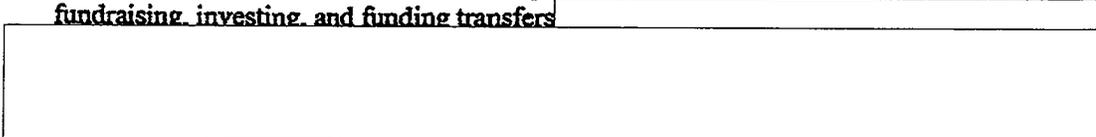
Money Changers and Hawala Dealers. [redacted] Bin Ladin depends on an unspecified number of key money changers and hawala dealers in Pakistan and the United Arab Emirates (UAE) to help al-Qa'ida remit and receive funds. [redacted] these money changers and hawala dealers [redacted] are used widely in the Gulf and South Asia and can remit funds anywhere in the world. Their popularity likely stems from the fact that they leave virtually no paper trail and conduct business on the basis of trust. Once the money they have transferred reaches its chosen destination, it is hand-carried by a trusted associate and delivered to its intended recipient. Because Bin Ladin uses numerous, interchangeable hawala dealers and couriers, it is difficult to track this transfer mechanism.



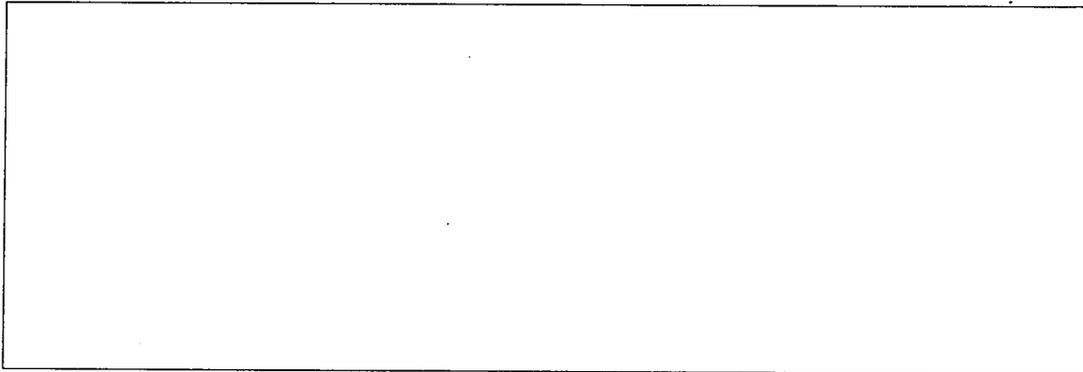
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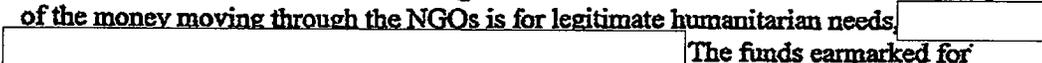
Financial Lieutenants. Bin Ladin makes the final decision on how funds are spent, but he entrusts key lieutenants with various aspects of his financial network, including fundraising, investing, and funding transfers



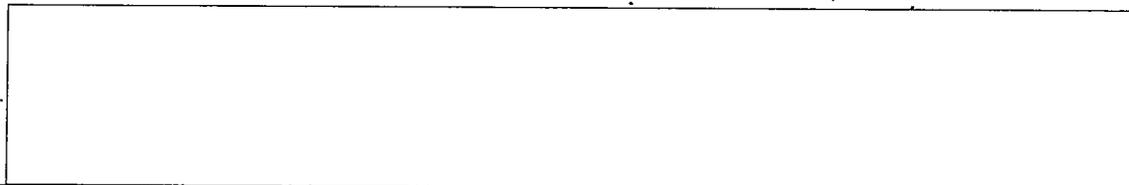
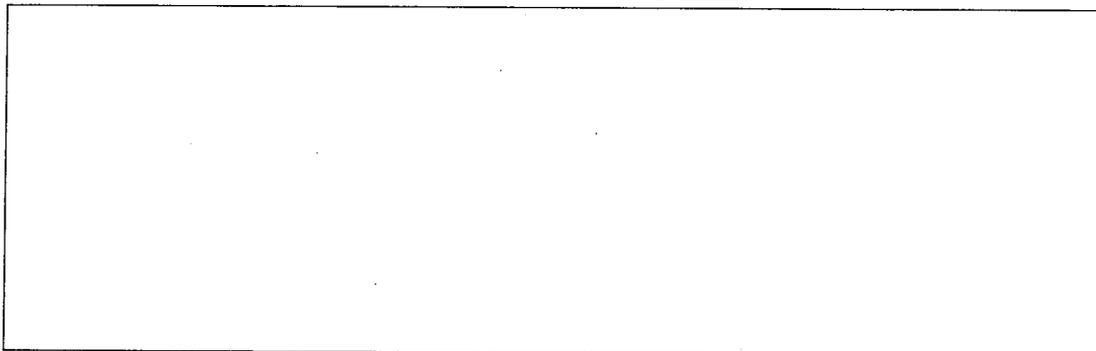
Ladin. By using these trusted individuals, Bin Ladin is able to distance himself and his name from the source of the funds, further complicating our ability to track his finances.



NGOs. Terrorist funds that flow through NGOs are hard to track because the majority of the money moving through the NGOs is for legitimate humanitarian needs,



The funds earmarked for humanitarian purposes are co-mingled with those slated for nefarious purposes, making it extremely difficult to identify and seize funds directly linked to terrorist activities.



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[Redacted]

Sources of Financial Support for Bin Ladin [Redacted]

NGOs, Saudi citizens, and sympathetic donors raise funds for Bin Ladin at the grassroots level [Redacted]

[Redacted]

Investments, commercial

activities, and drug trafficking also provide Bin Ladin with a flow of funds [Redacted]

[Redacted]

NGOs: Bin Ladin associates and supporters use the fundraising capabilities of a number of NGOs to collect donations for Bin Ladin and his organization.

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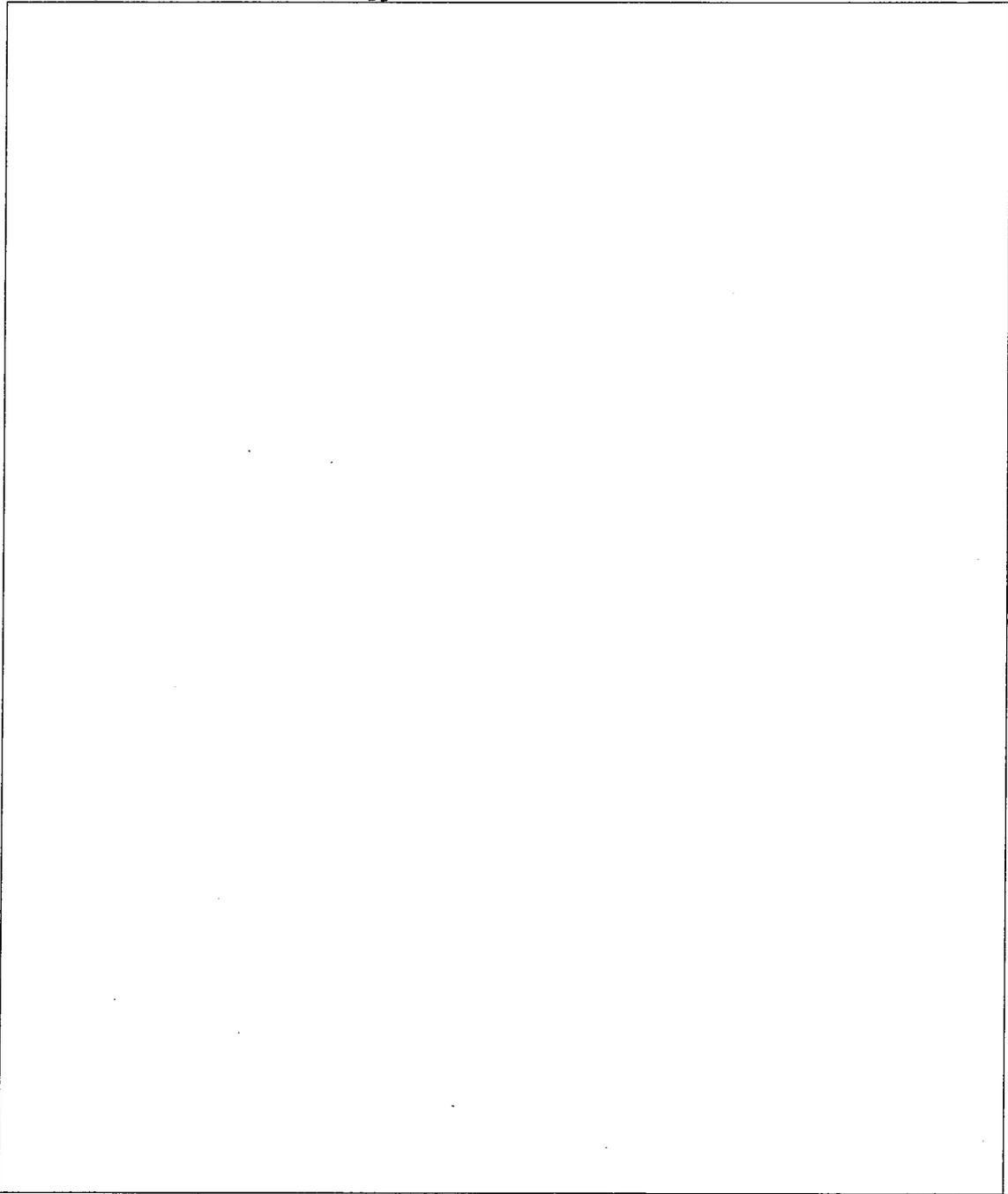
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Sympathetic Donors. Bin Ladin has a vast network of sympathizers who provide his organization with financial support.



[Redacted]

[Redacted]

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[Redacted]

- We do not have enough information to quantify accurately the value of Bin Ladin's assets [Redacted]

- We do not know the level of financial support that Bin Ladin draws from family [Redacted]

[Redacted]

[Redacted] the Saudi Government froze Bin Ladin's bank accounts in the Kingdom and his interest in his family's construction business.

[Redacted]

[Redacted]

[Redacted]