

For Six Month Period Ending JUL 31 2004  
(Insert date)

**I - REGISTRANT**

1. (a) Name of Registrant The Gaillagher Group, LLC (b) Registration No. 5467

(c) Business Address(es) of Registrant  
1800 North Kent Street  
Suite 907  
Arlington, VA 22209

2. Has there been a change in the information previously furnished in connection with the following:

- (a) If an individual:
  - (1) Residence address Yes  No
  - (2) Citizenship Yes  No
  - (3) Occupation Yes  No
- (b) If an organization:
  - (1) Name Yes  No
  - (2) Ownership or control Yes  No
  - (3) Branch offices Yes  No
- (c) Explain fully all changes, if any, indicated in items (a) and (b) above.

n/a

2004 SEP -2 PM 3: 01  
FEDERAL BUREAU OF INVESTIGATION  
U.S. DEPARTMENT OF JUSTICE

**IF THE REGISTRANT IS AN INDIVIDUAL, OMIT RESPONSE TO ITEMS 3, 4, AND 5(a).**

3. If you have previously filed Exhibit C<sup>1</sup>, state whether any changes therein have occurred during this 6 month reporting period.  
Yes  No

If yes, have you filed an amendment to the Exhibit C? Yes  No

If no, please attach the required amendment.

1 The Exhibit C, for which no printed form is provided, consists of a true copy of the charter, articles of incorporation, association, and by laws of a registrant that is an organization. (a waiver of the requirement to file an Exhibit C may be obtained for good cause upon written application to the Assistant Attorney General, Criminal Division, Internal Security Section, U.S. Department of Justice, Washington, D.C. 20530.)

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4. (a) Have any persons ceased acting as partners, officers, directors or similar officials of the registrant during this 6 month reporting period? Yes  No

If yes, furnish the following information:

Name	Position	Date Connection Ended
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(b) Have any persons become partners, officers, directors or similar officials during this 6 month reporting period? Yes  No

If yes, furnish the following information:

Name	Residence Address	Citizenship	Position	Date Assumed
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5. (a) Has any person named in item 4(b) rendered services directly in furtherance of the interests of any foreign principal? Yes  No

If yes, identify each such person and describe his service.

(b) Have any employee or individuals, who have filed a short form registration statement, terminated their employment or connection with the registrant during this 6 month reporting? Yes  No

If yes, furnish the following information:

Name	Position or connection	Date terminated
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(c) During this six month reporting period, has the registrant hired as employees or in any other capacity, any persons who rendered or will render services to the registrant directly in furtherance of the interests of any foreign principal(s) in other than a clerical or secretarial, or in a related similar capacity? Yes  No

If yes, furnish the following information:

Name	Residence Address	Citizenship	Position	Date Assumed
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6. Have short form registration statements been filed by all of the persons named in Items 5(a) and 5(c) of the supplemental statement? Yes  No

n/a

If no, list names of persons who have not filed the required statement.

**II - FOREIGN PRINCIPAL**

7. Has your connection with any foreign principal ended during this 6 month reporting period?

Yes  No

If yes, furnish the following information:

*Name of foreign principal*

*Date of termination*

8. Have you acquired any new foreign principal<sup>2</sup> during this 6 month reporting period?

Yes  No

If yes, furnish following information:

*Name and address of foreign principal*

*Date acquired*

9. In addition to those named in Items 7 and 8, if any, list foreign principals<sup>2</sup> whom you continued to represent during the 6 month reporting period.

Royal Embassy of Saudi Arabia

Embassy of the Republic of Djibouti

10. **EXHIBITS A AND B**

(a) Have you filed for each of the newly acquired foreign principals in Item 8 the following:

Exhibit A <sup>3</sup>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Exhibit B <sup>4</sup>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	n/a

If no, please attach the required exhibit.

(b) Have there been any changes in the Exhibits A and B previously filed for any foreign principal whom you represented during this six month period? Yes  No

If yes, have you filed an amendment to these exhibits? Yes  No

If no, please attach the required amendment.

<sup>2</sup> The term "foreign principal" includes, in addition to those defined in section 1(b) of the Act, an individual organization any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a foreign government, foreign political party, foreign organization or foreign individual. (See Rule 100(a) (9)). A registrant who represents more than one foreign principal is required to list in the statements he files under the Act only those principals for whom he is not entitled to claim exemption under Section 3 of the Act. (See Rule 208.)

<sup>3</sup> The Exhibit A, which is filed on form CRM-157 (Formerly OBD-67) sets forth the information required to be disclosed concerning each foreign principal.

<sup>4</sup> The Exhibit B, which is filed on Form CRM-155 (Formerly OBD-65) sets forth the information concerning the agreement or understanding between the registrant and the foreign principal.

III - ACTIVITIES

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11. During this 6 month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 7, 8, and 9 of this statement?                      Yes                       No

If yes, identify each such foreign principal and describe in full detail your activities and services:

See attachment A (Royal Embassy of Saudi Arabia)

See attachment B (Embassy of the Republic of Djibouti)

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12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity<sup>5</sup> as defined below?                      Yes                       No

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates, places, of delivery, names of speakers and subject matter.

See attachment C (Royal Embassy of Saudi Arabia)

See attachment D (Embassy of the Republic of Djibouti)

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13. In addition to the above described activities, if any, have you engaged in activity on your own behalf which benefits any or all of your foreign principals?                      Yes                       No

If yes, describe fully.

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<sup>5</sup> The term "political activities" means any activity that the person engaging in believes will, or that the person intends to, in any way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting or changing the domestic or foreign policies of the United States or with reference to political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

IV - FINANCIAL INFORMATION

14. (a) RECEIPTS-MONIES

During this 6 month reporting period, have you received from any foreign principal named in Items 7, 8, and 9 of this statement, or from any other source, for or in the interests of any such foreign principal, any contributions, income or money either as compensation or otherwise? Yes  No

If no, explain why.

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies<sup>6</sup>

Date	From Whom	Purpose	Amount
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See attachment E (Royal Embassy of Saudi Arabia)

See attachment F (Embassy of the Republic of Djibouti)

Total

(b) RECEIPTS - FUND RASING CAMPAIGN

During this 6 month reporting period, have you received, as part of a fund raising campaign<sup>7</sup>, any money on behalf of any foreign principal named in items 7, 8, and 9 of this statement? Yes  No

If yes, have you filed an Exhibit D to your registration? Yes  No

If yes, indicate the date the Exhibit D was filed. Date \_\_\_\_\_.

(c) RECEIPTS-THINGS OF VALUE

During this 6 month reporting period, have you received any thing of value<sup>9</sup> other than money from any foreign principal named in Items 7, 8, and 9 of this statement, or from any other source, for or in the interests of any such foreign principal? Yes  No

If yes, furnish the following information:

Name of foreign principal	Date received	Description of thing of value	Purpose
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n/a

6, 7 A registrant is required to file an Exhibit D if he collects or receives contributions, loans, money, or other things of value for a foreign principal, as part of a fund raising campaign. (See Rule 201(e).)

8 An Exhibit D, for which no printed form is provided, sets forth an account of money collected or received as a result of a fund raising campaign and transmitted for a foreign principal.

9 Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

15. (a) **DISBURSEMENTS-MONIES**

During this 6 month reporting period, have you

(1) disbursed or expended monies in connection with activity on behalf of any foreign principal named in Items 7, 8, and 9 of this statement?      Yes       No

(2) transmitted monies to any such foreign principal?      Yes       No

If no, explain in full detail why there were no disbursements made on behalf of any foreign principal.

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies, including monies transmitted, if any, to each foreign principal.

Date	To Whom	Purpose	Amount
	See attachment G (Royal Embassy of Saudi Arabia)		
	See attachment H (Embassy of the Republic of Djibouti)		

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Total

(b) **DISBURSEMENTS-THINGS OF VALUE**

During this 6 month reporting period, have you disposed of anything of value<sup>10</sup> other than money in furtherance of or in connection with activities on behalf of any foreign principal named in Items 7, 8, and 9 of this statement?

Yes  No

If yes, furnish the following information:

Date disposed	Name of person to whom given	On behalf of what foreign principal	Description of thing of value	Purpose
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(c) **DISBURSEMENTS-POLITICAL CONTRIBUTIONS**

During this 6 month reporting period, have you from your own funds and on your own behalf either directly or through any other person, made any contributions of money or other things of value<sup>11</sup> in connection with an election to any political office, or in connection with any primary election, convention, or caucus held to select candidates for political office?

Yes  No

If yes, furnish the following information:

Date	Amount or thing of value	Name of political organization	Name of candidate
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See attachment G (Royal Embassy of Saudi Arabia)

See attachment H (Embassy of the Republic of Djibouti)

10, 11 Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks" and the like.

V - INFORMATIONAL MATERIALS

16. During this 6 month reporting period, did you prepare, disseminate or cause to be disseminated any informational materials<sup>12</sup>?  
Yes  No

IF YES, RESPOND TO THE REMAINING ITEMS IN SECTION V.

See attachment I (Royal Embassy of Saudi Arabia)

See attachment J (Embassy of the Republic of Djibouti)

17. Identify each such foreign principal.

18. During this 6 month reporting period, has any foreign principal established a budget or allocated a specified sum of money to finance your activities in preparing or disseminating informational materials? Yes  No

If yes, identify each such foreign principal, specify amount, and indicate for what period of time.

19. During this 6 month reporting period, did your activities in preparing, disseminating or causing the dissemination of informational materials include the use of any of the following:

- Radio or TV broadcasts
- Magazine or newspaper articles
- Motion picture films
- Letters or telegrams
- Advertising campaigns
- Press releases
- Pamphlets or other publications
- Lectures or speeches
- Internet
- Other (specify) \_\_\_\_\_

20. During this 6 month reporting period, did you disseminate or cause to be disseminated informational materials among any of the following groups:

- Public Officials
- Newspapers
- Libraries
- Legislators
- Editors
- Educational institutions
- Government agencies
- Civic groups or associations
- Nationality groups
- Other (specify) \_\_\_\_\_

21. What language was used in the informational materials:

- English
- Other (specify) \_\_\_\_\_

22. Did you file with the Registration Unit, U.S. Department of Justice a copy of each item of such informational materials disseminated or caused to be disseminated during this 6 month reporting period? Yes  No

23. Did you label each item of such informational materials with the statement required by Section 4(b) of the Act? Yes  No

<sup>12</sup> The term informational materials includes any oral, visual, graphic, written, or pictorial information or matter of any kind, including that published by means of advertising, books, periodicals, newspapers, lectures, broadcasts, motion pictures, or any means or instrumentality of interstate or foreign commerce or otherwise. Informational materials disseminated by an agent of a foreign principal as part of an activity in itself exempt from registration, or an activity which by itself would not require registration, need not be filed pursuant to Section 4(b) of the Act.

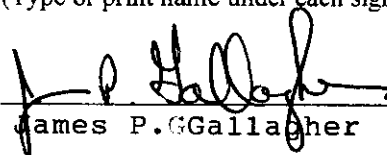
**VI--EXECUTION**

In accordance with 28 U.S.C. § 1746, the undersigned swear(s) or affirm(s) under penalty of perjury that he/she has (they have) read the information set forth in this registration statement and the attached exhibits and that he/she is (they are) familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his/her (their) knowledge and belief, except that the undersigned make(s) no representation as to truth or accuracy of the information contained in the attached Short Form Registration Statement(s), if any, insofar as such information is not within his/her (their) personal knowledge.

(Date of signature)

(Type or print name under each signature<sup>13</sup>)

August 31, 2004

  
James P. Gallagher

2004 SEP -2 PM 3:01  
REGISTRATION UNIT  
601/100

<sup>13</sup> This statement shall be signed by the individual agent, if the registrant is an individual, or by a majority of those partners, officers, directors or persons performing similar functions, if the registrant is an organization, except that the organization can, by power of attorney, authorize one or more individuals to execute this statement on its behalf.

UNITED STATES DEPARTMENT OF JUSTICE  
FARA REGISTRATION UNIT  
CRIMINAL DIVISION  
WASHINGTON, D.C. 20530

**NOTICE**

Please answer the following questions and return this sheet in triplicate with your Supplemental Statement:

1. Is your answer to Item 16 of Section V (Informational Materials - page 8 of Form CRM-154, formerly Form OBD-64-Supplemental Statement):

YES for Saudi Filing or NO for Djibouti Filing

(If your answer to question 1 is "yes" do not answer question 2 of this form.)

2. Do you disseminate any material in connection with your registration:

YES \_\_\_\_\_ or NO for Djibouti Filing

(If your answer to question 2 is "yes" please forward for our review copies of all material including: films, film catalogs, posters, brochures, press releases, etc. which you have disseminated during the past six months.)

  
Signature

8/31/04  
Date

~~James P. Gallagher~~  
Please type or print name of  
signatory on the line above

~~President~~  
Title

THIS FORM IS TO BE AN OFFICIAL ATTACHMENT TO YOUR CURRENT  
SUPPLEMENTAL STATEMENT - PLEASE EXECUTE IN TRIPLICATE

SHORT-FORM REGISTRATION INFORMATION SHEET

SECTION A

The Department records list active short-form registration statements for the following persons of your organization filed on the date indicated by each name. If a person is not still functioning in the same capacity directly on behalf of the foreign principal, please show the date of termination.

Short Form List For Registrant: Gallagher Group, L.L.C.

Last Name	First Name and Other Names	Registration Date	Termination Date	Role
Gallagher	James P.	3/3/03		

SECTION B

In addition to those persons listed in Section A, list below all current employees rendering services directly on behalf of the foreign principal(s) who have not as yet filed short-form registration statements. (Do not list clerks, secretaries, typists or employees in a similar or related capacity. If there is some question as to whether an employee has an obligation to file a short-form, please address a letter to us describing the activities and connection with the foreign principal.)

Name	Function	Date Hired

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

**ATTACHMENT A, Section III, #11**

**Royal Embassy of Saudi Arabia**

Pursuant to an agreement with Qorvis Communications, LLC, the Gallagher Group has provided services to the Royal Embassy of Saudi Arabia in respect to the Embassy's relationship with the U.S. Congress. The Gallagher Group's activities have consisted of scheduling meetings with Members of Congress and Congressional staff, accompanying an Embassy representative to these meetings, and providing comments and advice regarding the content of Congressional communications. The Gallagher Group advised the Embassy on the status of legislation of interest to the Royal Kingdom, strategies for dealing with Congress and U.S. government officials, and strategies for improving U.S.-Saudi bilateral relations.

**ATTACHMENT B, Section III, #11**

**Government of the Republic of Djibouti**

Pursuant to an agreement with BKSH and Associates, the Gallagher Group had provided services to the Embassy of the Republic of Djibouti in respect to the Embassy's relationship with the U.S. Congress. However, due to a lapse in the contract, the Gallagher Group did not undertake any activities on behalf of the Embassy during this reporting period.

## **ATTACHMENT C, Section III, #12**

### **Royal Embassy of Saudi Arabia**

On behalf of the Royal Embassy of Saudi Arabia, the Gallagher Group scheduled and accompanied Embassy representatives to meetings with Members of Congress and Congressional staff. The principle focus of every meeting was to discuss U.S.-Saudi bilateral relations and U.S.-Saudi cooperation in the War on Terrorism. Other topics discussed include oil and energy issues, economic development, government reform, education, role of women, human rights, the Saudi peace initiative, and Saudi charities. The dates and individuals with whom the Gallagher Group, LLC met with or called are as follows: Meeting with David Tebbe, Legislative Assistant, Office of Rep. Darrell Issa, 2/2/04; Call to David Tebbe, Legislative Assistant, Office of Rep. Darrell Issa, 2/2/04; Meeting with Congressman Mike Oxley, 2/11/04; Call to Ted Brennan, Professional Staff Member, House International Relations Committee, 2/11/04; Meeting with Ed McDonald, Chief of Staff, Office of Rep. Howard Coble, 2/11/04; Meeting with Rep. Walter Jones, Jr., 2/12/04; Meeting with Steve Vermillion, Chief of Staff, Office of Rep. Lincoln Diaz-Balart, 2/13/04; Call to Chris Walker, National Security Advisor, Office of the Speaker of the House, 2/13/04; Call to Steve Vermillion, Chief of Staff, Office of Rep. Lincoln Diaz-Balart, 2/17/04; Call to Hillel Weinberg, Professional Staff Member, House International Relations Committee, 2/19/04; Call to Dan Fata, Senior Policy Analyst, Senate Republican Policy Committee, 2/19/04; Meeting with David Tebbe, Legislative Assistant, Office of Rep. Darrell Issa, 2/23/04; Meeting with Rep. Jo Bonner, 2/24/04; Meeting with Rep. Howard Coble, 2/26/04; Call to Ray Shepherd, Staff Director, PSI, 3/2/04; Meeting with Ted Brennan, Professional Staff Member, House International Relations Committee, 3/3/04; Call to Hillel Weinberg, Professional Staff Member, House International Relations Committee, 3/8/04; Call to Hillel Weinberg, Professional Staff Member, House International Relations Committee, 3/9/04; Meeting with the professional staff of the House International Relations Committee, 3/10/04; Meeting Gregg Rickman and Yleem Poblete, Professional Staff, House International Relations Committee, 3/12/04; Meeting with Mike Wiehe, Office of Rep. Mike Turner, 3/13/04; Meeting with Dean Hilton, Office of Rep. Walter Jones, Jr., 3/15/05; Meeting with Ed McDonald, Chief of Staff, Office of Rep. Howard Coble, 3/16/04; Meeting with Chris Walker, National Security Advisor, Office of the Speaker of the House, 3/19/04; Call to Gregg Rickman, Professional Staff Member, House International Relations Committee, 3/15/04; Call to Steve Biegun, National Security Advisor, Office of the Senate Majority Leader, 3/15/04; Call to Steve Biegun, National Security Advisor, Office of the Senate Majority Leader, 3/19/04; Call to John Conger, Legislative Assistant, Office of Rep. Chet Edwards, 3/29/04; Call to Steve Biegun, National Security Advisor, Office of the Senate Majority Leader, 4/2/04; Call to Ken Katzman, Congressional Research Service, 4/14/04; Call to John Walker Roberts, Deputy Staff Director, House International Relations Committee, 4/14/04; Meeting with Diane Liesman, Chief of Staff, Office of Rep. Ray LaHood, 4/20/04; Call to Ken Katzman, Congressional Research Service, 4/20/04; Call to Dan Fata, Senior Policy Analyst, Senate Republican Policy Committee, 4/20/04; Call to Gregg Rickman, Professional Staff Member, House International Relations Committee, 4/20/04; Meeting with Steve Vermillion, Chief of Staff, Office of Rep. Lincoln Diaz-Balart, 4/26/04; Meeting with Arthur Estopinian, Administrative Assistant, Office of Rep. Ileana Ros-Lehtinen, 4/28/04; Meeting with Joni Higgins, Legislative Assistant, Office of Senator Voinovich, 4/30/04; Meeting with Kraig Siracuse, Professional Staff Member, Office of Senator Ted Stevens, 5/4/04; Meeting with Jared Dilley, Legislative Assistant, Office of Rep. Mike Oxley, 5/17/04; Meeting with Rep. Cass Ballenger, 5/19/04; Call to Ken Katzman, Congressional Research Service, 5/20/04; Meeting with Sharon Soderstrom, Staff Director, Senate HELP Committee, 5/27/04; Call to Steve Vermillion, Chief of Staff, Office of Rep. Lincoln Diaz-Balart, 6/2/04; Call to Brian Gaston, Advisor, Office

*Supplemental Statement for Six Month Period Ending 7/31/04; The Gallagher Group, LLC; Registration No. 5467; Royal Embassy of Saudi Arabia.*

of the House Majority Whip, 6/4/04; Call to Gregg Willhauck, Legislative Director, Office of Senator John Sununu, 6/7/04; Meeting with Rep. Todd Tiahrt, 6/14/04; Meeting with Mark Morrison, Legislative Assistant, Office of Senator Bennett, 6/18/04; Call to Chris Walker, National Security Advisor, Office of the Speaker of the House, 6/22/04; Meeting with Rep. Roy Blunt, 7/7/04; Meeting with Steve Petersen, Legislative Counsel, Office of Rep. Bishop, 7/7/04; Meeting with David Hemenway, Legislative Director, Office of Rep. Candace Miller, 7/12/04; Meeting with John McDonald, Legislative Assistant, Office of Rep. Hoekstra, 7/12/04; Meeting with Jared Dilley, Legislative Assistant, Office of Rep. Oxley, 7/13/04; Call to Steve Petersen, Legislative Counsel, Office of Rep. Bishop, 7/14/04; Meeting with Rep. Jeb Bradley, 7/14/04; Meeting with Jennifer Biggy, Legislative Assistant, Office of Rep. Wicker, 7/15/04; Meeting with Marc Lubin, Chief of Staff, Office of Rep. Bonilla, 7/15/04; Meeting with Mark Morrison, Legislative Assistant, Office of Senator Bennett, 7/16/04; Call to Ken Katzman, Congressional Research Service, 7/22/04; Meeting with Rep. Lincoln Diaz-Balart, 7/22/04; Call to Gregg Willhauck, Legislative Director, Office of Senator John Sununu, 7/22/04; Meeting with Bill Castle, Counsel, Senator Hatch, 7/23/04; Meeting with Dave Heil, Chief of Staff, Office of Rep. Cunningham, 7/26/04; Call to John Walker Roberts, Deputy Staff Director, House International Relations Committee, 7/28/04; Call to Johnnie Kaberle, Policy Assistant, Office of the House Majority Whip, 7/28/04.

**ATTACHMENT D, Section III, #12**

**Government of the Republic of Djibouti**

No activity was undertaken on behalf of this client.

**ATTACHMENT E, Section IV, #14 (a)**

**Royal Embassy of Saudi Arabia**

<b><u>Date</u></b>	<b><u>From Whom</u></b>	<b><u>Purpose</u></b>	<b><u>Amount</u></b>
2/17/04	Qorvis Comm.	Consulting Fees	\$45,000.00
7/30/04	Qorvis Comm.	Consulting Fees	<u>\$70,000.00</u>
		<i>Total:</i>	<b>\$115,000.00</b>

**ATTACHMENT F, Section IV, #14 (a)**

**Government of the Republic of Djibouti**

No payments were received from this client during this reporting period.

**ATTACHMENT G, Section IV, #15 (a)**

**Royal Embassy of Saudi Arabia**

The Registrant's contract with Qorvis Communications, LLC does not allow for the billing of expenses.

**Section IV, #15 (c)**

**Royal Embassy of Saudi Arabia**

<u>Date</u>	<u>Amount</u>	<u>Name of Candidate</u>
February 19	\$250.00	State Rep. David Rivera (FL) <i>(Non-federal race)</i>
February 26	\$1000.00	Bush-Cheney '04, Inc.
March 8	\$250.00	Rep. Jo Bonner (AL)
March 31	\$250.00	Sandy Lyons for Congress (NC-10)
May 10	\$500.00	Ed Broyhill for Congress (NC-5)
May 10	\$1000.00	Mel Martinez for Senate (FL)
May 15	\$500.00	Rep. Todd Tiahrt
May 22	\$250.00	Rep. Jo Bonner (AL)
May 23	\$500.00	Ed Broyhill for Congress (NC-5)
July 7	\$1000.00	ROYB Fund <i>(Rep. Roy Blunt PAC)</i>
July 14	\$250.00	Rep. Jeb Bradley (NH)
July 22	\$1500.00	Rep. Henry Hyde (IL)
July 22	\$500.00	Rep. Lincoln Diaz-Balart (FL)
July 26	\$500.00	Rep. Duke Cunningham (CA)

**ATTACHMENT H, Section IV, #15 (a)**

**Government of the Republic of Djibouti**

The Registrant does not bill BKSH & Associates or the Government of the Republic of Djibouti for any expenses.

**Section IV, #15 (c)**

**Government of the Republic of Djibouti**

<u>Date</u>	<u>Amount</u>	<u>Name of Candidate</u>
February 19	\$250.00	State Rep. David Rivera (FL) <i>(Non-federal race)</i>
February 26	\$1000.00	Bush-Cheney '04, Inc.
March 8	\$250.00	Rep. Jo Bonner (AL)
March 31	\$250.00	Sandy Lyons for Congress (NC-10)
May 10	\$500.00	Ed Broyhill for Congress (NC-5)
May 10	\$1000.00	Mel Martinez for Senate (FL)
May 15	\$500.00	Rep. Todd Tiahrt
May 22	\$250.00	Rep. Jo Bonner (AL)
May 23	\$500.00	Ed Broyhill for Congress (NC-5)
July 7	\$1000.00	ROYB Fund <i>(Rep. Roy Blunt PAC)</i>
July 14	\$250.00	Rep. Jeb Bradley (NH)
July 22	\$1500.00	Rep. Henry Hyde (IL)
July 22	\$500.00	Rep. Lincoln Diaz-Balart (FL)
July 26	\$500.00	Rep. Duke Cunningham (CA)

**ATTACHMENT I, Section V, #16-23**

**Royal Embassy of Saudi Arabia**

16. The registrant did disseminate informational materials on behalf of the foreign principal. Materials are attached to this statement.
17. The foreign principal was the Royal Embassy of Saudi Arabia.
18. No
19. Press Releases
20. Public Officials and Congressional Staff
21. English
22. Yes. Material is attached to this statement.
23. No. All material is already labeled by Qorvis Communications, LLC.

**ATTACHMENT J, Section V, #16-23**

**Government of the Republic of Djibouti**

16. No. The registrant did not disseminate informational materials on behalf of the foreign principal.

17 - 23. Not applicable

**FOR IMMEDIATE RELEASE**

February 2, 2004

**CONTACT:**

Saudi Information Office

202-337-4076

<http://www.saudiembassy.net>

**KING AND CROWN PRINCE ADDRESS PILGRIMS**

*Statement Condemns Terrorism and Promotes Tolerance*

[Washington, DC] [February 2, 2004] -- The Custodian of the Two Holy Mosques King Fahd bin Abdulaziz and Crown Prince Abdullah bin Abdulaziz, Deputy Prime Minister and Commander of the National Guard, issued a joint statement from Mina on the occasion of Eid Al-Adha, addressing Muslims everywhere as well as the two million pilgrims gathered for Hajj. The statement, read on their behalf on Saudi television, unequivocally denounced terrorism and called for global cooperation in the war against it.

The following are highlights from the statement:

"The entire world, including the Kingdom of Saudi Arabia, has been harmed by many acts of terror intended to undermine stability, and spread fear and evil. Some of these

comprehensive plan for combating terrorism by all countries must be implemented so that terrorists will not be allowed to conduct their subversive activities from any territory."

"Islam is a noble faith. It does not tolerate hatred and malice."

- \*\*\* -

FOR IMMEDIATE RELEASE  
February 27, 2004

CONTACT  
Saudi Information Office  
202-337-4076

## **SAUDI ARABIA OPEN FOR TOURISM**

[Washington, DC] [February 27, 2004] -- Saudi Arabia is encouraging visitors to tour the country in order to better understand the kingdom's society and culture. While everyone who enters the country must have a valid passport and appropriate visa, it is not the policy of the kingdom to deny the issuance of visas on the basis of religion.

Yesterday, Rep. Anthony Weiner, a consistent critic of Saudi Arabia, issued a statement in which he incorrectly said that it is the policy of Saudi Arabia not to issue visas to people of the Jewish faith. He based this information on material posted on the website of the Saudi Tourism Board. Rep. Weiner's office was informed by Embassy officials that this does not reflect the visa policies of Saudi Arabia and the visa requirements are available through the Saudi consulates and are posted on the Embassy websites. Further, the Supreme Council of Tourism was informed that the information on the website was not correct and as a consequence the erroneous material was removed from the website.

According to Ambassador Prince Bandar bin Sultan: "I am surprised that Rep. Weiner would issue a statement after his office was advised by officials of the Embassy that the concerns he raised were not the kingdom's policy. At this time, we should be working toward greater understanding and better relations between the United States and the Middle East. Rep. Weiner and his actions only serve to spread doubt and mistrust."

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*This press release is being distributed by Qorvis Communications on behalf of the Royal Embassy of Saudi Arabia. Additional information is available at the Department of Justice in Washington, DC*



March 2004

## **Latest Developments: Saudi Arabia's Progress in the War on Terrorism**

*I vow to my fellow citizens and to the friends who reside among us, that the State will be vigilant about their security and well-being. Our nation is capable, by the Grace of God Almighty and the unity of its citizens, to confront and destroy the threat posed by a deviant few and those who endorse or support them. With the help of God Almighty, we shall prevail.*

Crown Prince Abdullah bin Abdulaziz, Deputy Prime Minister  
and Commander of the National Guard, May 13, 2003

### **Actions to Counter Terrorism**

- Questioned thousands of suspects
- Arrested more than 600 individuals
- Dismantled a number of Al-Qaeda cells
- Seized large quantities of arms caches
- Extradited suspects from other countries
- Established joint task forces with the United States

### **Specific Cases:**

- On February 22, 2004, the Ministry of Interior confirmed the death of A'amir Mohsin Moreef Al Zaidan Alshihri, who was on the December 6 list of wanted terrorist suspects. He died some time after being wounded during a clash with police in Riyadh on November 6, 2003. The body was recently recovered from where it was buried, just outside the city, and DNA tests proved that it was Alshihri.

- On January 30, 2004, Saudi Arabia honored six security men and one civilian who were killed during a counter-terrorism operation. Since May of last year, 16 members of Saudi security forces have been killed and 31 injured in counter-terrorism operations.
- On January 30, 2004, the Ministry of Interior announced that security forces had stormed a rest house in Al-Siliye district in the east of the city of Riyadh, arrested seven suspects and seized a number of items including a car rigged with explosives, five rocket-propelled grenade launchers, seven machine guns, 11 pistols, five hand grenades, 21 detonators, military uniforms, and ammunition.
- On January 12, 2004, the Ministry of Interior announced that, over the past six months, large quantities of ammunition and weapons have been seized. The total weight of confiscated explosives is 23,893 kilograms. In addition, 301 rocket-propelled grenades together with launchers, 431 homemade grenades, 304 explosive belts (ready for use by suicide bombers), 674 detonators, 1,020 small arms and 352,398 rounds of ammunition were confiscated. The Ministry of Interior also called on everyone in Saudi Arabia to cooperate in fighting terrorism and extremism.
- On December 30, 2003, Mansoor Mohammad Ahmad Faqeeh, whose name had been published in a December 6 list of 26 wanted terrorist suspects, surrendered to security authorities.
- On December 8, 2003, the Ministry of Interior announced that Ibrahim Mohammad Abdullah Alrayis, whose name was on the December 6 list, had been killed by security forces. The Ministry statement praised citizens' cooperation with the security forces, who are pursuing those wanted and those who are trying to undermine the country's security and safety.
- On December 6, 2003, the Ministry of Interior published the names and photos of 26 suspects wanted by security forces in connection with the terrorist incidents that have taken place in the Kingdom in the past few months, urging them to surrender to the authorities. The Ministry called on all citizens and residents to report information they may have about any of the wanted suspects. Immediate financial rewards of up to \$1.9 million are being offered for information leading to the arrest of any wanted suspect, or any other terrorist elements and cells.
- On November 26, 2003, a suspected terrorist was arrested. The suspect's hiding place was linked to the terrorist cell involved in

the November 9 car bombing at the Al-Muhaya residential complex in Riyadh. Search of the hiding place revealed large quantities of arms and documents. Items discovered by security forces include one SAM-7 surface-to-air missile, five rocket-propelled grenade launchers, 384 kilogram of the powerful explosive RDX, 89 detonators, 20 hand grenades, eight AK-47 assault rifles, 41 AK-47 magazines, and 16,800 rounds of ammunition. Also recovered were four wireless communication devices, three computers, computer disks and CDs, and SR 94,395 in cash, as well as numerous identity cards and leaflets calling for the perpetration of acts of terror.

- On November 25, 2003, a car bomb plot was foiled in Riyadh. The encounter with security forces led to the deaths of two wanted terrorist suspects: Abdulmohsin Abdulaziz Alshabanat, who was killed in the exchange of fire, and Mosaed Mohammad Dheedan Alsobaiee, who committed suicide by detonating the hand grenade he was carrying. The vehicle that was seized was loaded with explosives and camouflaged as a military vehicle.
- On November 20, 2003, Abdullah bin Atiyyah bin Hudeid Al-Salami surrendered to security authorities. He was wanted for suspected terrorist activities.
- On November 6, 2003, security forces investigating a suspected terrorist cell in the Al-Suwaidi district of the city of Riyadh came under fire from the suspects, who attempted to flee while attacking security forces with machine guns and bombs. In the exchange of fire, one terrorist was killed and eight of the security officers suffered minor injuries. On the same day, in the Al-Shara'ei district of the city of Makkah, two terrorist suspects, who were surrounded by security forces, used home-made bombs to blow themselves up. Their suicide followed a firefight during which they refused to surrender when requested by the security officers.
- On November 3, 2003, Saudi police arrested six suspected Al-Qaeda militants after a shootout in the holy city of Makkah. The raid on an apartment triggered a shootout that left two suspected terrorists dead, and one security officer wounded.
- On October 20, 2003, security forces raided several terrorist cells in various parts of the country, including the city of Riyadh, the Al-Majma'a District in Riyadh Province, Makkah Province, the Jeddah District of Makkah Province, and Qasim Province. Security forces confiscated items including C4 plastic explosives, home-made bombs, gas masks, and large quantities of assault rifles and ammunition.
- On October 8, 2003, security forces raided a farm in the northern Muleda area of Qasim Province and were able to arrest

a suspect. Three other suspects fled the scene. Two security officers suffered injuries.

- On October 5, 2003, security forces arrested three suspects during a raid in the desert to the east of Riyadh.
- On September 23, 2003, security forces surrounded a group of suspected terrorists in an apartment in the city of Jizan. During a gun battle, one security officer was killed and four officers injured. Two suspects were arrested and one killed. The suspects were armed with machine guns and pistols and a large quantity of ammunition.
- On July 28, 2003, security forces killed six terrorist suspects and injured one in a gunfight at a farm in Qasim Province, 220 miles north of the capital, Riyadh. Two security officers were killed and eight suffered minor injuries. Four people who harbored the suspects were arrested.
- On July 25, 2003, three men were arrested at a checkpoint in Makkah for possessing printed material that included a "religious edict" in support of terrorist acts against Western targets.
- On July 21, 2003, the Minister of Interior announced that Saudi authorities had defused terrorist operations which were about to be carried out against vital installations and arrested 16 members of a number of terrorist cells after searching their hideouts in farms and houses in Riyadh Province, Qasim Province and the Eastern Province. In addition, underground storage facilities were found at these farms and homes containing bags, weighing over 20 tons, filled with chemicals used in the making of explosives.
- On July 3, 2003, Turki Nasser Mishaal Aldandany, a top Al-Qaeda operative and one of the masterminds of the May 12 bombings, was killed along with three other suspects in a gun battle with security forces that had them surrounded.
- On June 26, 2003, Ali Abdulrahman Said Alfagsi Al-Ghamdi, a.k.a. Abu Bakr Al-Azdi, surrendered to Saudi authorities. Al-Ghamdi, considered one of the top Al-Qaeda operatives in Saudi Arabia, is suspected of being one of the masterminds of the May 12 bombings in Riyadh.
- On June 14, 2003, security forces raided a terrorist cell in the Alattas building in the Khalidiya neighborhood of Makkah. Two Saudi police officers and five suspects were killed in a shootout. Twelve suspects were arrested, and a number of booby-trapped Qur'ans and 72 home-made bombs, in addition to weapons, ammunition, and masks were confiscated.

- On May 31, 2003, Yousif Salih Fahad Al-Ayeeri, a.k.a. Swift Sword, a major Al-Qaeda operational planner and fundraiser, was killed while fleeing from a security patrol.
- On May 27-28, 2003, eleven suspects were taken into custody in the city of Madinah. Weapons, false identity cards and bomb-making materials were confiscated. In addition, Saudi national Abdulmonim Ali Mahfouz Al-Ghamdi was arrested, following a car chase. Three non-Saudi women without identity cards, who were in the car he was driving, were detained.
- In May 2003, three clerics, Ali Fahd Al-Khudair, Ahmed Hamoud Mufreh Al-Khaledi and Nasir Ahmed Al-Fuhaid, were arrested after calling for support of the terrorists who carried out the Riyadh attacks. In November 2003, Ali Fahd Al-Khudair recanted his religious opinions on Saudi TV. Shortly after, a second cleric, Nasir Ahmed Al-Fuhaid, recanted and withdrew his religious opinions describing them as a "grave mistake". On December 16, 2003, Ahmed Hamoud Mufreh Al-Khaledi became the third cleric to recant on national television.

### **International Cooperation**

- On January 22, 2004, Crown Prince Abdullah's Foreign Affairs Advisor Adel Al-Jubeir and Secretary of the Treasury John Snow held a joint press conference in Washington, DC to announce that Saudi Arabia and the United States had asked the UN Sanctions Committee to designate four branch offices of the Al-Haramain Foundation as financial supporters of terrorism. The branches are located in Kenya, Tanzania, Pakistan and Indonesia and subject to the laws and regulations of those countries.
- Saudi Arabia and the United States established a second joint task force in August 2003, this one aimed at combating the financing of terror. The task force, which was initiated by Crown Prince Abdullah, is further indication of the Kingdom's commitment to the war on terrorism and its close cooperation with the United States in eradicating terrorists and their supporters.
- In May 2003, a Saudi-U.S. task force was organized from across law enforcement and intelligence agencies to work side by side to share "real time" intelligence and conduct joint operations in the fight against terrorism. The U.S. Ambassador to Saudi Arabia, Robert Jordan, described the cooperation of Saudi investigators with the U.S. law enforcement representatives as "superb".
- Saudi Arabia has provided extensive intelligence and military cooperation in the assault on Al-Qaeda. Public disclosures to date have revealed major Saudi contributions to the breakup of a number of Al-

Qaeda cells, the arrests of key Al-Qaeda commanders, and the capture of numerous Al-Qaeda members.

- Saudi Arabia is engaging other countries to locate and extradite Al-Qaeda operatives who may be hiding in those countries.

### **Actions Taken in the Financial Area**

- On February 27, 2004, the Custodian of the Two Holy Mosques King Fahd bin Abdulaziz issued a royal order approving the creation of the Saudi National Commission for Relief and Charity Work Abroad, which, in order to eliminate any misdeed that might undermine Saudi charitable operations, is charged exclusively with responsibility for all donations and contributions outside the Kingdom.
- On January 29, 2004, one week after Saudi Arabia and the United States requested the designation of four branch offices of the Al-Haramain Islamic Foundation, the United Nations Security Council announced that Al-Haramain's offices in Indonesia, Pakistan, Kenya and Tanzania had been added to its consolidated list of terrorists tied to Al-Qaeda, Osama bin Laden and the Taliban. Now that these offices are under UN sanctions, member states are obligated to take legal action against them.
- On December 22, 2003, Saudi Arabia and the United States took steps to designate two organizations as financiers of terrorism under United Nations Security Council Resolution 1267 (1999). These organizations are the Bosnia-based Vazir and the Liechtenstein-based Hochburg AG. Mr. Safet Durguti, a representative of the Vazir organization, has also been designated under the relevant United Nations Security Council Resolutions as a terrorist financier. This was the third joint action taken against terrorist financing by the United States Treasury Department and the Kingdom of Saudi Arabia.
- In August 2003, the Council of Ministers approved new laws that include harsh penalties for the crimes of money laundering and terror financing.
- In May 2003, Saudi Arabia asked the Al-Haramain Islamic Foundation and all Saudi charities to suspend activities outside Saudi Arabia until mechanisms are in place to adequately monitor and control funds so they cannot be misdirected for illegal purposes.
- Also in May 2003, SAMA instructed all banks and financial institutions in the Kingdom to stop all financial transfers by Saudi charities to any accounts outside the Kingdom.
- In February 2003, the Saudi Arabian Monetary Agency (SAMA) began to implement a major technical program to train judges and investigators on legal matters involving terrorism financing and

money-laundering methods, international requirements for financial secrecy, and methods followed by criminals to exchange information.

- In March 2002, the U.S. Treasury Department and Saudi Arabia blocked the accounts of the Somalia and Bosnia branches of the Al-Haramain Islamic Foundation. While the Saudi headquarters for this private charity is dedicated to helping those in need, it was determined that the Somalia and Bosnia branches supported terrorist activities and terrorist organizations such as Al-Qaeda and AIAI (al-Itihaad al-Islamiya).
- Saudi Arabia implemented the 40 Financial Action Task Force (FATF) recommendations on the prevention of money laundering and the eight special recommendations on terrorist financing.
- Saudi Arabia has established a High Commission for oversight of all charities, contributions and donations.
- A Financial Intelligence Unit was established to monitor financial transactions to ensure that funds do not reach evildoers.
- The Kingdom of Saudi Arabia and the United States took steps to freeze the assets of a close bin Laden aide, Wa'el Hamza Julaidan.
- Saudi Arabia has investigated numerous bank accounts suspected of having links to terrorism and has frozen more than 40 such accounts.

*This is distributed by Qorvis Communications, LLC on behalf of the Royal Embassy of Saudi Arabia. Additional information is available at the Department of Justice, Washington, D.C.*

**FOR IMMEDIATE RELEASE**

March 2, 2004

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**SAUDI ARABIA TIGHTENS CONTROL ON CHARITY ABROAD**

*New Commission Will Allow Overseas Aid to Resume Under Strict Regulation*

[Washington, DC] [March 2, 2004] -- The Kingdom of Saudi Arabia has completely reorganized its international relief and charity work to guard against the possibility of funds falling into the hands of terrorists. On February 27, 2004, the Custodian of the Two Holy Mosques King Fahd bin Abdulaziz issued a royal order approving the creation of the Saudi National Commission for Relief and Charity Work Abroad, which will take over all aspects of overseas aid operations and assume responsibility for the distribution of charitable donations from Saudi Arabia.

For the last eight months, no funds have been transferred from Saudi Arabia to any accounts of Saudi charities outside the Kingdom. After the commission is up and running, Saudi charities will be allowed to resume overseas operations under the new guidelines that protect against misappropriation.

Ambassador to the United States Prince Bandar bin Sultan stated: "We need to send money to those without food, medicine or shelter, but we also have to be certain that the money we send will go to the right people, for the right purpose. This new commission will ensure that terrorists cannot take advantage of the desperately needed humanitarian aid that we provide."

According to a statement by the Royal Court, the commission will "eliminate from charitable Saudi operations abroad any misdeeds that might undermine them or distort their reputation." The commission will be administered by citizens who have previous experience in charity work, and its new regulations will be announced in the upcoming weeks.

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**FOR IMMEDIATE RELEASE**

March 16, 2004

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**TOP TERROR SUSPECT KILLED BY SAUDI SECURITY**

[Washington, DC] [March 16, 2004] -- Saudi security forces have killed one of Saudi Arabia's most wanted terror suspects: Khalid Ali Ali-Haj, whose name appears on the Ministry of Interior's list of the 26 most wanted that was published last December. Ali-Haj was a Yemeni national who trained at Al-Qaeda camps in Afghanistan where he worked closely with Osama bin Laden.

At a checkpoint in Riyadh yesterday, security forces came under fire from Khalid Ali Ali-Haj and one other suspect, Ibrahim bin Abdulaziz bin Mohammed Al-Muzeini, after ordering them to stop their vehicle. Security forces immediately returned fire, killing both suspects. No civilians or security officers were injured during the exchange. Security forces searched the car and found six hand grenades, two Kalashnikov assault rifles, ten Kalashnikov ammunition magazines, three 9-mm pistols and the equivalent of about \$137,000 in cash.

Ambassador to the United States Prince Bandar bin Sultan stated: "We are uprooting the Al-Qaeda network and we are also going after the money and the mindset that supports these evildoers."

The Kingdom of Saudi Arabia has arrested more than 600 individuals from different nations with suspected ties to terrorism since September 11, 2001. Since May of last year, 16 members of Saudi security forces have been killed and 31 injured in counterterrorism operations.

Note: Photographs of Khalid Ali Ali-Haj and others on the list of the 26 most wanted can be found at <http://www.saudiembassy.net/ReportLink/Wanted%20Poster.pdf>

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*This press release is distributed by Qorvis Communications on behalf of the Royal Embassy of Saudi Arabia. Additional information is available at the Department of Justice in Washington, DC.*

**FOR IMMEDIATE RELEASE**

March 24, 2004

**CONTACT:**

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**SAUDI AMBASSADOR COMMENTS ON 9-11 COMMISSION**

[Washington, DC] [March 24, 2004] -- The 9-11 Commission recently confirmed in a staff report accounts of Saudi Arabia's attempts to capture Osama bin Laden prior to 9-11 and efforts to foil Al-Qaeda terror attacks inside the Kingdom as early as 1998.

According to Ambassador to the United States Prince Bandar bin Sultan: "This is what Saudi Arabia has maintained all along: Our government was pursuing bin Laden and his Al-Qaeda network before the 9-11 attacks, and these terrorists, in turn, were targeting the Kingdom of Saudi Arabia before those attacks on the United States. This refutes the illogical and morbid accusations of Saudi government support for Al-Qaeda. Why would the Saudi government fund or support Osama bin Laden at the same time that we are working to capture him? Why would we assist those who are out to destroy us?"

Osama bin Laden fled Saudi Arabia 10 years before the 9-11 attacks. The government of Saudi Arabia revoked his citizenship in 1994. In 1996, he publicly denounced the government of Saudi Arabia.

According to a 9-11 Commission Staff Statement: "In the spring of 1998 the Saudi government successfully disrupted a major bin Laden-organized effort to launch attacks on U.S. forces in the Kingdom using a variety of man-portable missiles. Scores of individuals were arrested."

Following this incident, the former head of Saudi intelligence Prince Turki Al-Faisal coordinated with CIA Director George Tenet to get Mullah Omar and other Taliban leaders to hand over bin Laden. According to the statement by the 9-11 Commission's staff: "In September 1998 Prince Turki, joined by Pakistan's intelligence

chief. had a climactic meeting with Mullah Omar in Kandahar. Omar reneged on his promise to expel bin Laden... The Saudi government then cut off any further official assistance to the Taliban regime, recalled its diplomats from Kandahar, and expelled Taliban representatives from the Kingdom."

The 9-11 Commission's Staff Statement concludes: "The government of Saudi Arabia worked closely with top U.S. officials in major initiatives to solve the bin Laden problem with diplomacy."

Prince Bandar bin Sultan stated: "Today, our two governments continue to work closely together in the war on terrorism. Our efforts are more effective now that we have the benefit of comprehensive international cooperation, with greater sharing of intelligence and resources. I am confident that together we will win this war and end the terrorist threat to the civilized world."

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*This press release is being distributed by Qorvis Communications on behalf of the Royal Embassy of Saudi Arabia. Additional information is available at the Department of Justice in Washington, DC.*

**FOR IMMEDIATE RELEASE**

March 29, 2004

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**SAUDI AMBASSADOR COMMENTS ON SENATOR  
LUGAR'S SPEECH**

[Washington, DC] [March 29, 2004] -- Ambassador to the United States Prince Bandar bin Sultan today welcomed the remarks by Senator Richard Lugar (R-IN), Chairman of the Senate Foreign Relations Committee, delivered at the Brookings Institution in Washington, DC on the topic of 'A New Partnership for the Greater Middle East: Combating Terrorism, Building Peace'.

Prince Bandar bin Sultan commended Senator Lugar on both his vision and dedication. "The region is in need of reform, but as Senator Lugar recognizes, no lasting reform can be imposed from the outside. I have known Senator Lugar for more than twenty years and when he gets involved with an issue he is steadfast in his commitment. Saudi Arabia is also dedicated to promoting development and peace in the Middle East, and will continue to work with the international community to achieve these goals."

During his speech, Senator Lugar outlined a long-term strategy for international cooperation that would facilitate reform and development in the Arab world. Senator Lugar emphasized that the international community should engage with the Greater Middle East in a way that allows "the nations of the region to set their own priorities for the new millennium."

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**FOR IMMEDIATE RELEASE**

April 7, 2004

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**SAUDI AUTHORITIES CLASH WITH SUSPECTED TERRORISTS**

[Washington, DC] [April 7, 2004] -- During a shootout on the streets of Saudi Arabia's capital, security forces killed Abdul-Rahman bin Nayef bin Rabeh Al-Sahli and wounded Abdullah bin Ghallab bin Alil Al-Sahli, both of whom were wanted by authorities in connection with ongoing terror investigations.

On Monday evening, a security patrol in the eastern part of the city of Riyadh observed a Toyota pickup with stolen plates. The two occupants of the vehicle ignored orders to stop, started firing and fled. A pursuit resulted in damage to the vehicle, and an exchange of fire that led to the killing of one and the wounding of the other. No civilians or security officers were injured during the exchange.

Ambassador to the United States Prince Bandar bin Sultan stated: "These criminals are finding it difficult to operate in Saudi Arabia because we are committed to putting an end to the threat they pose. We are proud of the vigilance and brave efforts of our security forces to protect the innocent from these deviants."

The Kingdom of Saudi Arabia has arrested more than 600 individuals from different nations with suspected ties to terrorism since September 11, 2001. Since May of last year, 16 Saudi security officers have lost their lives and 31 have been injured in counter-terrorism operations.

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**James Gallagher**

From : Jack Deschauer jdesch@... |

Sent

To

jez-

Cc:

Subject



## Panel Clears Handling of Bin Laden Kin on 9/11

By MATTHEW L. WALD

**W**ASHINGTON, April 13 — The six chartered flights that rushed scores of Saudi citizens out of the United States after the attacks of Sept. 11, 2001, were handled properly by the Bush administration, the independent commission investigating the attacks said in a statement on Tuesday.

A flight on Sept. 20, 2001, carried 26 passengers, most of them relatives of Osama bin Laden, according to the statement. But all 142 passengers on the flights, mostly Saudi citizens, were screened by law enforcement officials, the statement said, to ensure that they were not security threats and not wanted for questioning. The flights were "dealt with in a professional manner" by the government, the commission said.

The rush by the Saudis to depart attracted notice and stirred accusations that the administration allowed it to take place to maintain good relations with the Saudis. An article in Vanity Fair magazine last October asserted that the Saudis were allowed by the White House to violate a ban on flights imposed after the attacks to fly a group from Tampa, Fla., to Lexington, Ky., in a small jet, where they would join a larger group. But the Federal Aviation Administration maintained that the ban was lifted before the plane took off.

Among other critics, Senator Charles E. Schumer of New York said last September that some of the Saudis who were allowed to leave may have had ties to terrorism. "This is just another example of our country coddling the Saudis and giving them special privileges that others would never get," he said.

But according to the statement, the F.B.I. checked "a variety of databases" and searched the aircraft. The statement said that it was not clear whether anyone checked a watch list maintained by the State Department, but that a check after the departure showed no matches.

The statement said the F.B.I. concluded that no one who was allowed to depart was wanted for questioning, and that the commission had found no evidence to contradict this.

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**FOR IMMEDIATE RELEASE**

April 23, 2004

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**KILLED SUSPECTS IDENTIFIED AS MOST WANTED TERRORISTS**

[Washington, DC] [April 23, 2004] -- The Ministry of Interior today identified four of the five terror suspects killed on Thursday following a shootout with security forces in the Al-Safa neighborhood in Jeddah as being on the country's most wanted terror list. The incident resulted in the arrest of a suspect and slight injury to a security officer.

The Ministry of Interior today identified the four as Ahmad Abdulrahman Saqr Alfadhli, Khalid Mobarak Habeeb-Allah Alqurashi, Mostafa Ibrahim Mohammad Mobaraki, and Talal A'nbar Ahmad A'nbari, numbers 23, 11, 25, and 13 on the most wanted list published on December 6, 2003. The fifth has not yet been identified. The name of the suspect arrested during the shootout, and those of others apprehended in connection with the operation, are being withheld for the moment.

Ambassador to the United States Prince Bandar bin Sultan said today "the actions of our security forces are further proof that the terrorists, whose objective is to kill innocent people, can run but cannot hide from justice." Prince Bandar added "we are in total war with these terrorists and there will be no compromise."

Security investigations had uncovered evidence of a planned act of terrorism, and the suspects traced to an apartment in Al-Safa. Security forces seized quantities of weapons and explosives as well as two vehicles used in two separate ambushes on April 5 and April 9, in which two security officers were killed.

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**FOR IMMEDIATE RELEASE**

April 23, 2004

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**SAUDI OIL MINISTER SAYS NO SHORTAGE**

[Washington, DC] [April 23, 2004] -- Speaking to the World Affairs Council of Greater Dallas yesterday, Saudi Arabia's Minister of Petroleum and Mineral Resources Ali bin Ibrahim Al-Naimi affirmed Saudi Arabia is committed to meeting the requirements of oil consuming countries, stating: "We in Saudi Arabia firmly believe that consumers, producers, and the world economy all benefit from stable and predictable oil markets."

Addressing high gasoline prices in the United States, Minister Al-Naimi pointed out that low refining capacity was part of the problem, saying: "Even if OPEC were to raise output it would not necessarily translate into more gasoline for U.S. consumers. This is because the supply 'bottleneck' is created by the lack of U.S. refining capacity, not by the amount of available crude oil in the world markets." He added: "Saudi Arabia is willing and ready to invest in two new refineries and their associated marketing facilities in the U.S. to alleviate the bottlenecks in product availability."

The Minister also said that Saudi Arabia's output could be raised to 12 or 15 million barrels per day and run at similar levels for 50 years, declaring: "We are very confident there is a lot more oil to be found in Saudi Arabia."

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**FOR IMMEDIATE RELEASE**

April 28, 2004

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**SAUDI FOREIGN MINISTER ON ROLE OF RELIGIOUS ESTABLISHMENT IN WAR  
AGAINST AL-QAEDA**

[Washington, DC] [April 28, 2004] -- At the Council on Foreign Relations (CFR) in New York yesterday, Saudi Arabia's Minister of Foreign Affairs Prince Saud Al-Faisal explained that, contrary to accusations by the Kingdom's critics, the religious establishment is a critical asset in the nation's war against Al-Qaeda. During the CFR conference entitled 'The United States and Saudi Arabia: A Relationship Threatened By Misconceptions', Prince Saud stated: "It is the religious establishment in Saudi Arabia that in fact is proving to be the body most qualified to de-legitimize Al-Qaeda's claims, the very religious community that is being attacked and discredited."

According to Prince Saud Al-Faisal: "The insular extremism of Saudi Arabia's arch-conservatives is being used as evidence for not only the sympathy, but also the collaboration of Saudi Arabia and its society with Al-Qaeda's aims and objectives. Nothing is further from the truth, as evidenced by the war being waged relentlessly against Al-Qaeda in Saudi Arabia, and the support that the society is giving the government's efforts to rid the country of these evildoers."

Prince Saud Al-Faisal also explained that attacks on Saudi Arabia and its religious establishment "will undermine the country that is waging total war against them [Al-Qaeda], and that is probably the country most capable of preventing them from spreading their cultist ideology in the Islamic world."

On April 22, the day after the recent bombing in Riyadh, Shaikh Abdulaziz Al-Ashaikh, the Grand Mufti of Saudi Arabia and Chairman of the Council of Senior Religious Scholars, issued a statement calling the incident a "forbidden and sinful act". The statement continued: "It is also forbidden to justify the acts of these criminals." Shaikh Abdulaziz Al-Ashaikh also stated: "You

have to be vigilant and have strong will in defending the religion and the Muslim country against these people.”

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**FOR IMMEDIATE RELEASE**

April 28, 2004

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**SAUDI ARABIA READY TO INVEST IN NEW U.S. REFINERIES**

***Saudi Oil Minister Reaffirms Pledge to Keep Oil Prices Low***

[Washington, DC] [April 28, 2004] -- Speaking to a conference yesterday entitled *U.S.-Saudi Relations and Global Energy Security* sponsored by the U.S.-Saudi Arabian Business Council and the Center for Strategic and International Studies (CSIS), Saudi Arabia's Minister of Petroleum and Mineral Resources Ali bin Ibrahim Al-Naimi reiterated that Saudi Arabia would be willing to invest in the establishment of two new oil refineries in the United States.

"On this occasion, let me state emphatically, that Saudi Arabia is willing and ready to invest in two new refineries and their associated marketing facilities in the U.S. to help alleviate some of the bottlenecks in product availability," declared Al-Naimi.

Minister Al-Naimi reiterated Saudi Arabia's pledge to keep oil prices between \$22 and \$28 per barrel to stabilize the world's oil market. There is, he said, no shortage of crude oil in the market, attributing the rise in gasoline prices in the United States to market speculation, refinery bottlenecks and environmental regulations.

Minister Al-Naimi concluded his remarks by assuring the audience that Saudi Arabia is committed to its role as the world's most reliable energy producer, saying: "Both of our countries also understand the importance of stability in the oil market, security of supply and reliability of deliveries. That is why Saudi Arabia has committed itself to be the world's most reliable supplier of energy. We back up this commitment by having developed and nurtured an oil industry whose capabilities, I am proud to say, are second to none."

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FOR IMMEDIATE RELEASE  
May 1, 2004

CONTACT:  
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<http://www.saudiembassy.net>

## **SAUDI AMBASSADOR CONDEMNS ATTACKS IN SAUDI ARABIA**

[Washington, DC] [May 1, 2004] -- Saudi Ambassador Prince Bandar bin Sultan expressed his sorrow at the death of civilians, which included Americans, British, Australians and Saudis, in the recent terrorist attack in Yanbu, Saudi Arabia. Prince Bandar condemned the attack as "viscous and murderous." He extended, on behalf of the people of Saudi Arabia, the "deepest condolences to the families of the victims of the attack."

Prince Bandar further added: "This is a cowardly act carried out by criminals who have turned their backs on their faith and on all of humanity." The Ambassador said that, "acts of terrorism have no justification and violate the principles of every faith, including Islam. The Saudi people have suffered at the hand of terrorism and are galvanized in the fight to combat terrorism in all of its forms. And God willing, we will succeed in ridding our nation of these evil-doers."

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**James Galagher**

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FOR IMMEDIATE RELEASE

May 2, 2004

CONTACT:

Saudi Information Office

202-337-4076

<http://www.saudiembassy.net>

### **CROWN PRINCE ABDULLAH VOWS TO STRIKE TERRORISTS WITH AN IRON FIST**

[Washington, DC] [May 2, 2004] -- Crown Prince Abdullah bin Abdulaziz, Deputy Prime Minister and Commander of the National Guard, has declared that those who carried out yesterday's attack in Yanbu which killed seven and wounded twenty-five others, are part of a deviant group of terrorists, and vowed that the Kingdom will track them down "no matter how long it takes".

The terrorists, he said yesterday, are part of a cult that has corrupted the true meaning and principles of Islam. "We should not show any lenience or negligence in dealing with terrorists." Crown Prince Abdullah said. The Kingdom "will strike with an iron fist anyone who tries to destabilize its security."

Crown Prince Abdullah had previously issued a warning to "every misled or misguided person by saying clearly: he who protects or sympathizes with a terrorist is himself a terrorist, and will receive his just punishment."

The Crown Prince offered his condolences to the families of the victims of the attack and to those who were injured. He praised the security forces that stand alert for our security.

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**FOR IMMEDIATE RELEASE**

May 10, 2004

**CONTACT:**

Saudi Information Office

(202) 337-4076

www.saudiembassy.net

**SAUDI AMBASSADOR SAYS INCREASE IN OIL PRODUCTION NECESSARY**

[Washington, DC] [May 10, 2004] -- Ambassador to the United States Prince Bandar bin Sultan today issued the following statement with regard to the necessity of increasing OPEC's production ceiling:

"In the interest of maintaining the balance of supply and demand in the global oil market, Saudi Arabia believes that it is necessary for OPEC to increase the production ceiling by at least 1.5 million barrels per day. This production increase would help satisfy the continued increase in demand, especially in Asia, that is anticipated for the second half of 2004. Unfortunately, prices have reached their current level partly because the market is subject to unjustified concerns that supplies from certain oil producing countries may be disrupted.

"High oil prices have negative effects on both consuming and producing nations. We do not want to see prices that are detrimental to global economic growth. Saudi Arabia will present its case for an increase in production at the May 22-24, 2004 meeting of the International Energy Forum in Amsterdam in the Netherlands, where we hope to reach an understanding with the oil ministers of OPEC members to increase the production ceiling during next month's meeting in Beirut, Lebanon."

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**IMMEDIATE RELEASE**

May 12, 2004

**CONTACT**

Saudi Information Office

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www.saudiembassy.net

**Saudi Ambassador Cautions Not to Condemn All Americans for Actions of Few  
*Calls murder of Nicholas Berg criminal and inhuman***

[Jeddah, Saudi Arabia] [May 12, 2004] -- In response to questions from Saudi media concerning the treatment of Iraqi prisoners by U.S. soldiers in Abu Ghraib prison in Baghdad and the decapitation of U.S. citizen Nicholas Berg, Ambassador to the United States Prince Bandar bin Sultan said the following:

"There is no doubt that the treatment of a number of Iraqi prisoners by some U.S. military personnel is despicable and criminal. Saudi media, however, should be aware that we do not make the same mistake of generalization that was made by the U.S. media and certain American politicians - and from which we have grievously suffered - when it became clear that 15 out of the 19 criminals who carried out the September 11 terrorist attacks were Saudis. Accusations were leveled against all Saudis, who were labeled as terrorists: accusations that are untrue and unacceptable. That is why we should now condemn only those who committed these horrendous acts against Iraqi prisoners, and make clear that they do not represent the majority of the U.S. military, and certainly not the American people and their morality."

When asked to comment on the decapitation of U.S. citizen Nicholas Berg, Prince Bandar said:

"There is no doubt that killing detainees and mutilating the remains of the dead are acts which are condemned by all religions and contrary to the morals of all nations and peoples. They are inhuman acts regardless of who does them. That is why I condemn this criminal and inhuman act. The Al-Zargawi group is a criminal, deviant and un-Islamic group, allied with bin Laden and the criminals of Al-Qaeda who are killing even Muslims and Arabs for no reason. Accordingly, it is not out of character for them to commit acts that violate the teachings of Islam, a noble religion that deplors such acts."

\* \* \* \*

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## LOCAL COMMENT: Saudis out to help the U.S., not push for Bush re-election

BY FRANK RICHTER

*May 17, 2004*

Bob Woodward's book "Plan of Attack" gave critics of President George W. Bush a chance to launch an attack of their own. Their target was Bush's cozy relationship with the Saudis, something that could become an election issue. In his book, Woodward reports that just before the Iraq war, Saudi Ambassador Prince Bandar promised the president that the Saudis hoped to fine-tune oil prices over 10 months to prime the economy for 2004.

The president's opponents have tried to characterize this Saudi statement as some sort of "secret deal" designed to unfairly help Bush win re-election in 2004 by priming the U.S. economy with cheap oil.

Woodward also said that Bandar got a peek at the U.S.-Iraqi war plan, 2 months prior to the invasion, and before Secretary of State Colin Powell was briefed.

The Saudi ambassador and Bush have both denied any secret deal to lower oil prices for political purposes. And both Bush and Powell recently said that the secretary of State had been informed of the president's war plans far earlier.

Did the Saudis get a heads-up on the U.S. war plan for Iraq?

The Associated Press recently revealed that Saudi Arabia was a staging area for U.S. special operations forces used in the Iraqi invasion. Saudi assistance allowed the U.S. military to help our Kurdish allies take over western Iraq, in the first days of the war, preventing Saddam Hussein from launching Scud missiles against Israel.

After Turkey refused U.S. ground forces access into northern Iraq, Saudi help became essential to the war plan. The Saudis allowed the U.S. military to fly tankers, to refuel warplanes, to fly AWACs planes for reconnaissance and to maintain command and control of air operations from nearby Saudi bases. Gen. T. Michael Moseley, commander of U.S. air operations during the war, called the Saudis "wonderful partners."

8/31/2004

If Vice President Dick Cheney showed the Saudi ambassador a war map depicting U.S. staging areas inside his own kingdom, so what? No news here, except for the news that the Saudis, as usual, came through in the clutch for America.

For decades, the Americans and Saudis have worked closely together to defeat the spread of Iranian fundamentalism in the Gulf and the Russian occupation of Afghanistan. The U.S.-Saudi alliance kicked Hussein out of Kuwait in 1991, and Saudi bases were used to command U.S. air operations against the Taliban after 9/11.

Iraq's enormous debt from the war with Iran, owed to the rich Arab Gulf states, motivated Hussein to invade and annex Kuwait for its oil wealth in 1990. The Gulf War that followed cost the coalition countries \$61 billion, much of it paid for by Saudi Arabia. The Gulf War's cost to the U.S. Treasury was \$7 billion, which amounted to a mere \$62 per taxpayer -- thanks to Saudi generosity.

The Saudi pledge to the United States to keep oil prices low has been a hallmark of the U.S.-Saudi alliance for decades. The Saudis pumped more oil to lower oil prices just before the Gulf War in 1991 and during the buildup to the U.S. invasion of Iraq. When two of America's major sources of imported oil, Venezuela and Nigeria, experienced political crises in 2003, the Saudis increased exports to the United States.

Bandar's promise to keep oil prices stable to help the U.S. economy was part of a long standing Saudi pledge to America, not just to Bush. And this Saudi policy was not designed to help Bush's bid for re-election in November.

In February, OPEC -- led by the Saudis -- agreed to decrease, not increase, their oil production, ceiling targets by 10 percent. That decision and insufficient U.S. refining capacity explain why gasoline prices in the United States today are near a 13-year high. U.S. elections are only 6 months away. Not much evidence there of a secret deal.

The Saudis recently proposed that OPEC increase oil production by 1.5 million barrels per day. That's because terrorists sabotaged an oil pipeline in Iraq heightening fears of an oil supply security problem.

Is the Saudi proposal part of a political deal or a response to economic needs? You judge.

Dragging the Saudis into American politics during an election year is a bad idea. The Saudis have been America's closest Arab ally in times of war and peace. The United States cannot afford to lose what few foreign friends it has in a world troubled by terrorism.

*FRANK RICHTER of Detroit lectures nationwide on terrorism and Middle East policy. He is a member of the World Affairs Council in Detroit. Write to him in care of the Free Press Editorial Page, 600 W. Fort St., Detroit, MI 48226.*

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**FOR IMMEDIATE RELEASE**

May 20, 2004

**CONTACT:**

Saudi Information Office

(202) 337-4076

[www.saudiembassy.net](http://www.saudiembassy.net)

**SAUDI SECURITY FORCES KILL FOUR TERRORIST SUSPECTS**

[Washington, DC] [May 20, 2004] -- Saudi security forces today killed four terrorist suspects and injured another in a gunfight in Qasim Province. The security forces came under heavy fire from machineguns after locating five terrorist suspects in a rest house in Khudairah, a village in the area of Buraidah. One security officer was killed and two were injured in the incident. Weapons and ammunition were confiscated.

According to Ambassador to the United States Prince Bandar bin Sultan: "Saudi counter-terrorism efforts are now among the best in the world. The effectiveness of our security forces combined with the support of our citizens has made Saudi Arabia increasingly inhospitable for terrorists."

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FOR IMMEDIATE RELEASE  
May 20, 2004

CONTACT:  
Saudi Information Office  
202-337-4076  
<http://www.saudiembassy.net>

## **MAJOR SAUDI PRIVATIZATION UNDERWAY**

[Washington, DC] [May 20, 2004] -- Adding force to its drive for economic reform, Saudi Arabia is selling off government shares in one of the Arab world's largest insurance companies, the National Company for Cooperative Insurance (NCCI), and privatizing the Saudi Arabian Mining Company 'Ma'aden', which is wholly owned by the Ministry of Petroleum and Mineral Resources. Both decisions came during a meeting of the Supreme Economic Council (SEC), chaired by Crown Prince Abdullah bin Abdulaziz, Deputy Prime Minister and Commander of the National Guard, and are part of a broader privatization program directed at helping to modernize and expand the Saudi economy.

Ambassador to the United States Prince Bandar bin Sultan stated: "We are continuing to develop and diversify our economic base. Substantial private and foreign investments are crucial to a healthy and stable economy."

The sale of government shares in NCCI will help open up the Kingdom's insurance market, which is estimated at more than \$2.5 billion. NCCI has assets of about half a billion dollars and is the only insurance company officially licensed in Saudi Arabia. However, new insurance legislation, passed on July 14, 2003 and introduced as part of Saudi Arabia's sweeping economic reform program, has cleared a path for potential competition.

The decision to privatize the Saudi Arabian Mining Company will help attract the enormous investments required to fully capitalize on the Kingdom's wealth of mineral resources.

Saudi Arabia has previously announced and implemented plans to privatize many of its vital economic sectors including telecommunications, civil aviation, desalination, highway management, railways, sports clubs, municipal services, health services and government hotels.

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*This press release is being distributed by Qorvis Communications on behalf of the Royal Embassy of Saudi Arabia. Additional information is available at the Department of Justice in Washington, DC*

**FOR IMMEDIATE RELEASE**

May 21, 2004

**CONTACT:**

Saudi Information Office

(202) 337-4076

[www.saudiembassy.net](http://www.saudiembassy.net)

**STATEMENT**

[Amsterdam, The Netherlands] [May 21, 2004] -- The office of the Minister of Petroleum and Mineral Resources of the Kingdom of Saudi Arabia released the following statement today:

On the current world oil market situation and the increase in oil prices above the upper limit of OPEC's reference price, H.E. Ali Al-Naimi, Minister of Petroleum & Mineral Resources of Saudi Arabia stated that the recent revisions in oil demand and supply projections for the coming months point to an increase in the required production from OPEC by an excess of 2.0 mbd. He emphasized that out of the concern for market stability, supply continuity and the growth of the world economy, especially of our fellow developing countries who stand to be more adversely affected by the sudden and excessive oil price increase, Saudi Arabia will propose an increase in OPEC production ceiling by more than two million barrels per day and has already allocated to its customers around 9.0 mbd as of June 2004.

H.E. Al-Naimi further stated that Saudi Arabia will continue to monitor market developments and coordinate with OPEC to keep markets well supplied in order to maintain prices within the agreed range acceptable to producers and consumers and conducive to economic growth especially in the developing countries.

He emphasized that the upcoming ninth International Energy Forum to be held in Amsterdam in the next few days will provide an opportunity to exchange views between producers and consumers on the underlying causes of recent oil price increase and ways and means that each will contribute to market stability.

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مكتب المعلومات

ROYAL EMBASSY OF SAUDI ARABIA  
INFORMATION OFFICE

**FOR IMMEDIATE RELEASE**

May 29, 2004

**CONTACT:**

Saudi Information Office

202-337-4076

<http://www.saudiembassy.net>

**Saudi Ambassador Condemns Attacks in Al-Khobar**

*Vows Kingdom will destroy the terrorists*

*[Washington, DC] [May 29, 2004] -- Ambassador to the United States Prince Bandar bin Sultan today issued the following statement with regard to the terrorist attack in Al-Khobar, Saudi Arabia:*

“The terrorist attack in Al-Khobar, Saudi Arabia, was a cowardly and despicable act of murder. We grieve for the loss of innocent life and share our deepest condolences with the families of the victims. These terrorists have no respect for human life and no regard for the principles of Islam.

“The terrorists’ goal is to disrupt the Saudi economy and destabilize our country. But they will not succeed. With every desperate act of violence, our effort and resolve to destroy the terrorists only grows.

“Hatred and extremism will not prevail over our people's desire for peace, security and progress.”

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*This press release is distributed by Qorvis Communications, LLC on behalf of the Royal Embassy of Saudi Arabia. Additional information is available at the Department of Justice, Washington, D.C.*



**FOR IMMEDIATE RELEASE**

June 2, 2004

**CONTACT:**

Saudi Information Office

202-337-4076

<http://www.saudiembassy.net>

**SAUDI ARABIA TO FOLD AL-HARAMAIN AND OTHER CHARITIES  
INTO NATIONAL COMMISSION;  
AND WITH THE UNITED STATES JOINTLY MAKES FIVE DESIGNATIONS  
TO THE UNITED NATIONS UNDER UNSCR 1267 OF 1999**

[Washington, DC] [June 2, 2004] -- The governments of Saudi Arabia and the United States once again have come together to make designations to the United Nations 1267 Sanctions Committee to add five entities to its consolidated list of financiers of terrorism. The five designated organizations are located in the Netherlands, Albania, Afghanistan, Bangladesh, and Ethiopia and are offices or former offices of the Al-Haramain Islamic Foundation. In addition, the Saudi government is dissolving the Riyadh-based Al-Haramain Islamic Foundation, along with other Saudi charities and committees which used to operate abroad. The assets of these entities will be folded into the Saudi National Commission for Relief and Charity Work Abroad. The National Commission, which will be a non-governmental body, will take over all aspects of private overseas aid operations and assume responsibility for the distribution of private charitable donations from Saudi Arabia.

According to Adel Al-Jubeir, Foreign Affairs Advisor to the Crown Prince: "The humanitarian work undertaken by Saudi charities has helped millions of needy

- more -

individuals. Charitable giving is a requirement of our faith, and a noble undertaking. We are very proud of the generosity and charity of our people, and their concern for those less fortunate. The National Commission is being established to ensure that all charitable donations abroad reach their intended recipients, and to protect charitable donations from possible abuse.”

Saudi Arabia has put in place world class regulations and mechanisms to guard against money laundering and the financing of terrorism. An in-depth external audit (mutual evaluation) recently completed by the G-8’s Financial Action Task Force (FATF) attested to their viability.

According to Al-Jubeir: “Few countries have done more than Saudi Arabia to combat terror financing, and the FATF findings attest to that.”

Today’s act of designation is the result of ongoing efforts to combat terrorism. In August 2003, Saudi Arabia and the United States established a joint task force in Riyadh aimed at combating the financing of terrorism.

Al-Jubeir stated: “Saudi Arabia is working with other countries to identify and stop individuals and organizations that finance terror. Protecting innocent people from the inhuman acts of terrorism is the responsibility of all peace-loving nations and can only be accomplished through international cooperation.”

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سفارة المملكة العربية السعودية  
مكتب المعلومات

ROYAL EMBASSY OF SAUDI ARABIA  
INFORMATION OFFICE

**FOR IMMEDIATE RELEASE**

June 2, 2004

**CONTACT:**

Saudi Information Office

202-337-4076

<http://www.saudiembassy.net>

**STATEMENT BY ADEL AL-JUBEIR, FOREIGN AFFAIRS ADVISOR TO THE  
CROWN PRINCE, AT PRESS CONFERENCE, THE ROYAL EMBASSY OF  
SAUDI ARABIA**

[Washington, DC] [June 2, 2004] -- Just over a year ago, I stood at this podium to talk to you about the horrific Al-Qaeda attacks in Riyadh. While the threat of terrorism was not new to Saudi Arabia, for us, May 12, 2003 was a turning point. From that day forward, Saudi Arabia and its people have been galvanized in the fight against terrorism as never before. As we have seen from the attacks in Al-Khobar this past weekend, Al-Qaeda is trying to destabilize our economy and our government. But their barbaric actions, grow more desperate while the resolve of our people to uproot them grows stronger. We have no doubt that we will, God willing, prevail.

We are fighting this war on three fronts. First, we are going after the terrorists. We are pursuing them relentlessly. Over the past year, we have captured or killed many of their leaders, seized their weapons, and uncovered their arms caches. Hundreds of their members are in custody. Our leaders have vowed to pursue them until we rid our nation of these deviant individuals, regardless of how long it takes. Our security forces continue to do heroic work, and many have given their lives to protect the innocent. And for that they have our eternal gratitude.

- more -

Second, we are going after the mind-set that foments and justifies acts of terror. Our religious scholars continue to speak out forcefully about the true nature of our faith, which is one of peace and tolerance, not hatred and violence. We are revitalizing our educational system and are training imams at our mosques to ensure there is no room for incitement and intolerance.

Third, we are working to identify and shut down the financial sources that support terrorism. We have audited our charities and reorganized charitable work abroad to ensure that funds reach their intended recipients. We have established a new entity through which all private relief work abroad will be channeled. All existing entities and committees that used to operate abroad, including Al-Haramain, will be dissolved or will have their international operations and assets folded into the Saudi National Commission for Charitable Work Abroad. This new entity will be subject to strict financial legal oversight, and will operate according to clear policies to ensure that charitable funds intended to help the needy are not misused.

Charitable giving is a requirement of our faith. It defines who we are as Muslims. We are proud of the generosity and charity of our people. Through their donations over the years, millions of hungry people have been fed, tens of thousands of orphans provided for, thousands of wells drilled in arid parts of the world, shelters built for refugees in many parts of the world plagued by wars, and projects developed in areas to help alleviate poverty. Generous support for others in need is noble. But to guard against people taking advantage of our generosity, we have to ensure that the mechanisms for charitable work cannot be manipulated or misdirected by anyone.

Saudi Arabia has examined this issue very seriously and we have taken bold and decisive action.

We have:

- put in place world class regulations and financial control mechanisms and we have implemented the FATF's 40 recommendations on money-laundering and 8 recommendations on terror financing.

- more -

- frozen bank accounts, seized funds and designated organizations and individuals under UN Security Council Resolution 1267.
- continued to work with many nations, including the United States, to exchange information and expertise that can help us all combat terrorism and terror-financing.
- even gone so far as to end the collection of cash contributions in mosques and public places.

These actions are part of a comprehensive and ongoing program. Recently, The Financial Action Task Force of the G-8 reviewed our systems and procedures in the financial area and their findings attest to the seriousness and effectiveness of the measures put in place by Saudi Arabia. Few countries have accomplished as much in this area as Saudi Arabia. Today, Saudi Arabia and the United States are taking joint action by designating five entities under UN Security Council Resolution 1267.

A year ago, at this podium, I said, "Don't just listen to our words; watch our actions." I believe any fair-minded observer will see that the actions Saudi Arabia has taken over the past year have been comprehensive, bold and decisive. And they have been effective. And God willing, they will help rid our world of the scourge of terrorism.

Thank you.

- # # # -



June 2004

## **Latest Developments: Saudi Arabia's Progress in the War on Terrorism**

*It is the terrorists who are our enemies, and security will be imposed on them, by force. Our country will prevail in spite of them. Every enemy will be tracked down, no matter how long it takes.*

Crown Prince Abdullah bin Abdulaziz, Deputy Prime Minister  
and Commander of the National Guard, May 29, 2004

### **Actions to Counter Terrorism**

- Questioned thousands of suspects
- Arrested more than 600 individuals
- Dismantled a number of Al-Qaeda cells
- Seized large quantities of arms caches
- Extradited suspects from other countries
- Established joint task forces with the United States

### **Specific Cases:**

- On May 30, 2004, the Interior Ministry reported that the terrorist attack in Al-Khobar the day before had resulted in the deaths of 22 people, including one American and three Saudis. During the operation to rescue 41 hostages, the leader of the terrorist group was wounded and apprehended. Security forces are searching for the three other terrorists, one of whom was also wounded.

- On May 20, 2004, security forces killed four terrorist suspects and injured another in a gunfight in Qasim Province. The security forces came under heavy fire from machineguns after locating five terrorist suspects in a rest house in Khudairah, a village in the area of Buraidah. Two security officers were killed. Weapons and ammunition were confiscated
- On May 3, 2004, the Ministry of Interior announced the names of the four terrorists who carried out an attack on May 1 in Yanbu that killed eight people and wounded 20 others. They belonged to one family: two brothers and their two uncles. They were Sameer Sulaiman Alansari, Sami Sulaiman Alansari and Ayman Abdulqader Alansari. All four terrorists were killed by security forces.
- On April 23, 2004, the Ministry of Interior identified four of the five terror suspects killed on April 22 as Ahmad Abdulrahman Saqr Alfadhli, Khalid Mobarak Habeeb-Allah Alqurashi, Mostafa Ibrahim Mohammad Mobaraki, and Talal A'nbar Ahmad A'nbari, numbers 23, 11, 25, and 13 on the most wanted list published on December 6, 2003. They were killed following a shootout with security forces in the Al-Safa neighborhood in Jeddah.
- On April 18, 2004, the Ministry of Interior issued a statement explaining the developments following the incidents on April 12 and 13, 2004; confirming that security forces had seized two trucks loaded with 4,118 kilograms of explosives ready for detonation, plus a car full of weapons; and adding that various other items and weapons had also been seized at different locations. Eight suspects have been arrested in connection with these events.
- On March 15, 2004, security forces killed one of Saudi Arabia's most wanted terror suspects: Khalid Ali Ali-Haj, who was on the December 6 list of wanted terrorist suspects. Ali-Haj was a Yemeni national who trained at Al-Qaeda camps in Afghanistan where he worked closely with Osama bin Laden. Security forces searched his car and found six hand grenades, two Kalashnikov assault rifles, ten Kalashnikov ammunition magazines, three 9-mm pistols and the equivalent of about \$137,000 in cash.
- On February 22, 2004, the Ministry of Interior confirmed the death of A'amir Mohsin Moreef Al Zaidan Alshihri, who was on the December 6 list of wanted terrorist suspects. He died some time after being wounded during a clash with police in Riyadh on November 6, 2003. The body was recently recovered from where it was buried, just outside the city, and DNA tests proved that it was Alshihri.

- On January 30, 2004, Saudi Arabia honored six security men and one civilian who were killed during a counter-terrorism operation. Since May of last year, 16 members of Saudi security forces have been killed and 31 injured in counter-terrorism operations.
- On January 30, 2004, the Ministry of Interior announced that security forces had stormed a rest house in Al-Siliye district in the east of the city of Riyadh, arrested seven suspects and seized a number of items including a car rigged with explosives, five rocket-propelled grenade launchers, seven machine guns, 11 pistols, five hand grenades, 21 detonators, military uniforms, and ammunition.
- On January 12, 2004, the Ministry of Interior announced that, over the past six months, large quantities of ammunition and weapons have been seized. The total weight of confiscated explosives is 23,893 kilograms. In addition, 301 rocket-propelled grenades together with launchers, 431 homemade grenades, 304 explosive belts (ready for use by suicide bombers), 674 detonators, 1,020 small arms and 352,398 rounds of ammunition were confiscated. The Ministry of Interior also called on everyone in Saudi Arabia to cooperate in fighting terrorism and extremism.
- On December 30, 2003, Mansoor Mohammad Ahmad Faqeeh, whose name had been published in a December 6 list of 26 wanted terrorist suspects, surrendered to security authorities.
- On December 8, 2003, the Ministry of Interior announced that Ibrahim Mohammad Abdullah Alrayis, whose name was on the December 6 list, had been killed by security forces. The Ministry statement praised citizens' cooperation with the security forces, who are pursuing those wanted and those who are trying to undermine the country's security and safety.
- On December 6, 2003, the Ministry of Interior published the names and photos of 26 suspects wanted by security forces in connection with the terrorist incidents that have taken place in the Kingdom in the past few months, urging them to surrender to the authorities. The Ministry called on all citizens and residents to report information they may have about any of the wanted suspects. Immediate financial rewards of up to \$1.9 million are being offered for information leading to the arrest of any wanted suspect, or any other terrorist elements and cells.
- On November 26, 2003, a suspected terrorist was arrested. The suspect's hiding place was linked to the terrorist cell involved in the November 9 car bombing at the Al-Muhaya residential complex in Riyadh. Search of the hiding place revealed large

quantities of arms and documents. Items discovered by security forces include one SAM-7 surface-to-air missile, five rocket-propelled grenade launchers, 384 kilogram of the powerful explosive RDX, 89 detonators, 20 hand grenades, eight AK-47 assault rifles, 41 AK-47 magazines, and 16,800 rounds of ammunition. Also recovered were four wireless communication devices, three computers, computer disks and CDs, and SR 94,395 in cash, as well as numerous identity cards and leaflets calling for the perpetration of acts of terror.

- On November 25, 2003, a car bomb plot was foiled in Riyadh. The encounter with security forces led to the deaths of two wanted terrorist suspects: Abdulmohsin Abdulaziz Alshabanat, who was killed in the exchange of fire, and Mosaed Mohammad Dheedan Alsobaiee, who committed suicide by detonating the hand grenade he was carrying. The vehicle that was seized was loaded with explosives and camouflaged as a military vehicle.
- On November 20, 2003, Abdullah bin Atiyyah bin Hudeid Al-Salami surrendered to security authorities. He was wanted for suspected terrorist activities.
- On November 6, 2003, security forces investigating a suspected terrorist cell in the Al-Suwaidi district of the city of Riyadh came under fire from the suspects, who attempted to flee while attacking security forces with machine guns and bombs. In the exchange of fire, one terrorist was killed and eight of the security officers suffered minor injuries. On the same day, in the Al-Shara'ei district of the city of Makkah, two terrorist suspects, who were surrounded by security forces, used home-made bombs to blow themselves up. Their suicide followed a firefight during which they refused to surrender when requested by the security officers.
- On November 3, 2003, Saudi police arrested six suspected Al-Qaeda militants after a shootout in the holy city of Makkah. The raid on an apartment triggered a shootout that left two suspected terrorists dead, and one security officer wounded.
- On October 20, 2003, security forces raided several terrorist cells in various parts of the country, including the city of Riyadh, the Al-Majma'a District in Riyadh Province, Makkah Province, the Jeddah District of Makkah Province, and Qasim Province. Security forces confiscated items including C4 plastic explosives, home-made bombs, gas masks, and large quantities of assault rifles and ammunition.
- On October 8, 2003, security forces raided a farm in the northern Muleda area of Qasim Province and were able to arrest a suspect. Three other suspects fled the scene. Two security officers suffered injuries.

- On October 5, 2003, security forces arrested three suspects during a raid in the desert to the east of Riyadh.
- On September 23, 2003, security forces surrounded a group of suspected terrorists in an apartment in the city of Jizan. During a gun battle, one security officer was killed and four officers injured. Two suspects were arrested and one killed. The suspects were armed with machine guns and pistols and a large quantity of ammunition.
- On July 28, 2003, security forces killed six terrorist suspects and injured one in a gunfight at a farm in Qasim Province, 220 miles north of the capital, Riyadh. Two security officers were killed and eight suffered minor injuries. Four people who harbored the suspects were arrested.
- On July 25, 2003, three men were arrested at a checkpoint in Makkah for possessing printed material that included a "religious edict" in support of terrorist acts against Western targets.
- On July 21, 2003, the Minister of Interior announced that Saudi authorities had defused terrorist operations which were about to be carried out against vital installations and arrested 16 members of a number of terrorist cells after searching their hideouts in farms and houses in Riyadh Province, Qasim Province and the Eastern Province. In addition, underground storage facilities were found at these farms and homes containing bags, weighing over 20 tons, filled with chemicals used in the making of explosives.
- On July 3, 2003, Turki Nasser Mishaal Aldandany, a top Al-Qaeda operative and one of the masterminds of the May 12 bombings, was killed along with three other suspects in a gun battle with security forces that had them surrounded.
- On June 26, 2003, Ali Abdulrahman Said Alfagsi Al-Ghamdi, a.k.a. Abu Bakr Al-Azdi, surrendered to Saudi authorities. Al-Ghamdi, considered one of the top Al-Qaeda operatives in Saudi Arabia, is suspected of being one of the masterminds of the May 12 bombings in Riyadh.
- On June 14, 2003, security forces raided a terrorist cell in the Alattas building in the Khalidiya neighborhood of Makkah. Two Saudi police officers and five suspects were killed in a shootout. Twelve suspects were arrested, and a number of booby-trapped Qur'ans and 72 home-made bombs, in addition to weapons, ammunition, and masks were confiscated.
- On May 31, 2003, Yousif Salih Fahad Al-Ayeeri, a.k.a. Swift Sword, a major Al-Qaeda operational planner and fundraiser, was killed while fleeing from a security patrol.

- On May 27-28, 2003, eleven suspects were taken into custody in the city of Madinah. Weapons, false identity cards and bomb-making materials were confiscated. In addition, Saudi national Abdulmonim Ali Mahfouz Al-Ghamdi was arrested, following a car chase. Three non-Saudi women without identity cards, who were in the car he was driving, were detained.
- In May 2003, three clerics, Ali Fahd Al-Khudair, Ahmed Hamoud Mufreh Al-Khaledi and Nasir Ahmed Al-Fuhaid, were arrested after calling for support of the terrorists who carried out the Riyadh attacks. In November 2003, Ali Fahd Al-Khudair recanted his religious opinions on Saudi TV. Shortly after, a second cleric, Nasir Ahmed Al-Fuhaid, recanted and withdrew his religious opinions describing them as a "grave mistake". On December 16, 2003, Ahmed Hamoud Mufreh Al-Khaledi became the third cleric to recant on national television.

### **International Cooperation**

- On April 29, 2004, the Office of the Coordinator for Counter-terrorism of the U.S. Department of State released its 2003 'Patterns of Global Terrorism' report. The report praises the Kingdom of Saudi Arabia for its "unprecedented" efforts to fight terrorism both inside its borders and abroad. J. Cofer Black, Coordinator for Counter-terrorism states in his introductory remarks: "I would cite Saudi Arabia as an excellent example of a nation increasingly focusing its political will to fight terrorism. Saudi Arabia has launched an aggressive, comprehensive, and unprecedented campaign to hunt down terrorists, uncover their plots, and cut off their sources of funding."
- On January 22, 2004, Crown Prince Abdullah's Foreign Affairs Advisor Adel Al-Jubeir and Secretary of the Treasury John Snow held a joint press conference in Washington, DC to announce that Saudi Arabia and the United States had asked the UN Sanctions Committee to designate four branch offices of the Al-Haramain Foundation as financial supporters of terrorism. The branches are located in Kenya, Tanzania, Pakistan and Indonesia and subject to the laws and regulations of those countries.
- Saudi Arabia and the United States established a second joint task force in August 2003, this one aimed at combating the financing of terror. The task force, which was initiated by Crown Prince Abdullah, is further indication of the Kingdom's commitment to the war on terrorism and its close cooperation with the United States in eradicating terrorists and their supporters.
- In May 2003, a Saudi-U.S. task force was organized from across law enforcement and intelligence agencies to work side by side to share "real time" intelligence and conduct joint operations in the fight

against terrorism. The U.S. Ambassador to Saudi Arabia, Robert Jordan, described the cooperation of Saudi investigators with the U.S. law enforcement representatives as "superb".

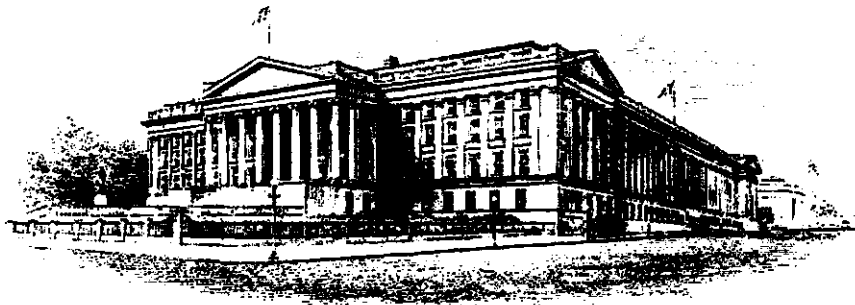
- Saudi Arabia has provided extensive intelligence and military cooperation in the assault on Al-Qaeda. Public disclosures to date have revealed major Saudi contributions to the breakup of a number of Al-Qaeda cells, the arrests of key Al-Qaeda commanders, and the capture of numerous Al-Qaeda members.
- Saudi Arabia is engaging other countries to locate and extradite Al-Qaeda operatives who may be hiding in those countries.

### **Actions Taken in the Financial Area**

- On February 27, 2004, the Custodian of the Two Holy Mosques King Fahd bin Abdulaziz issued a royal order approving the creation of the Saudi National Commission for Relief and Charity Work Abroad, which, in order to eliminate any misdeed that might undermine Saudi charitable operations, is charged exclusively with responsibility for all donations and contributions outside the Kingdom.
- On January 29, 2004, one week after Saudi Arabia and the United States requested the designation of four branch offices of the Al-Haramain Islamic Foundation, the United Nations Security Council announced that Al-Haramain's offices in Indonesia, Pakistan, Kenya and Tanzania had been added to its consolidated list of terrorists tied to Al-Qaeda, Osama bin Laden and the Taliban. Now that these offices are under UN sanctions, member states are obligated to take legal action against them.
- On December 22, 2003, Saudi Arabia and the United States took steps to designate two organizations as financiers of terrorism under United Nations Security Council Resolution 1267 (1999). These organizations are the Bosnia-based Vazir and the Liechtenstein-based Hochburg AG. Mr. Safet Durguti, a representative of the Vazir organization, has also been designated under the relevant United Nations Security Council Resolutions as a terrorist financier. This was the third joint action taken against terrorist financing by the United States Treasury Department and the Kingdom of Saudi Arabia.
- In August 2003, the Council of Ministers approved new laws that include harsh penalties for the crimes of money laundering and terror financing.
- In May 2003, Saudi Arabia asked the Al-Haramain Islamic Foundation and all Saudi charities to suspend activities outside Saudi Arabia until mechanisms are in place to adequately monitor and control funds so they cannot be misdirected for illegal purposes.

- Also in May 2003, SAMA instructed all banks and financial institutions in the Kingdom to stop all financial transfers by Saudi charities to any accounts outside the Kingdom.
- In February 2003, the Saudi Arabian Monetary Agency (SAMA) began to implement a major technical program to train judges and investigators on legal matters involving terrorism financing and money-laundering methods, international requirements for financial secrecy, and methods followed by criminals to exchange information.
- In March 2002, the U.S. Treasury Department and Saudi Arabia blocked the accounts of the Somalia and Bosnia branches of the Al-Haramain Islamic Foundation. While the Saudi headquarters for this private charity is dedicated to helping those in need, it was determined that the Somalia and Bosnia branches supported terrorist activities and terrorist organizations such as Al-Qaeda and AIAI (al-Itihaad al-Islamiya).
- Saudi Arabia implemented the 40 Financial Action Task Force (FATF) recommendations on the prevention of money laundering and the eight special recommendations on terrorist financing.
- Saudi Arabia has established a High Commission for oversight of all charities, contributions and donations.
- A Financial Intelligence Unit was established to monitor financial transactions to ensure that funds do not reach evildoers.
- The Kingdom of Saudi Arabia and the United States took steps to freeze the assets of a close bin Laden aide, Wa'el Hamza Julaidan.
- Saudi Arabia has investigated numerous bank accounts suspected of having links to terrorism and has frozen more than 40 such accounts.

*This material is distributed by Qorvis Communications, LLC on behalf of the Royal Embassy of Saudi Arabia. Additional information is available at the Department of Justice, Washington, D.C.*



## **DEPARTMENT OF THE TREASURY OFFICE OF PUBLIC AFFAIRS**

**FOR IMMEDIATE RELEASE**  
June 2, 2004

**Contact: Molly Millerwise**  
**(202) 622-2960**

### **Additional Al-Haramain Branches, Former Leader Designated by Treasury as Al Qaida Supporters** *Treasury Marks Latest Action in Joint Designation with Saudi Arabia*

The United States and Saudi Arabian governments today announced yet further steps in the war against terrorist financing by jointly designating five additional branches of the Al-Haramain Islamic Foundation (AHF) for the financial, material and logistical support they provided to the al-Qaida network and other terrorist organizations. Today's action marks the latest in a series of joint efforts between the United States and Saudi Arabia in the financial war on terror.

"Terrorists and their tainted dollars have corrupted charity by using the philanthropic spirit and charitable institutions to further their warped motives," said Juan Zarate, Treasury's Deputy Assistant Secretary for the Executive Office for Terrorist Financing and Financial Crimes.

The U.S. and Saudi Arabia are jointly submitting the entities to the United Nations' 1267 Committee to be added to the consolidated list of terrorists tied to al Qaida, Usama bin Laden (UBL) and the Taliban.

The United States is also designating the former leader of Al-Haramain, Aqeel Abdulaziz Al-Aqil, and submitting his name to the UN 1267 Committee for inclusion on the consolidated international list.

"The act of charity is sacrosanct. We need to take every step possible to stop the flow of terrorist funding through charities while preserving the integrity of charitable giving around the world," said Zarate. "The United States is working with our international partners and the charitable community to safeguard this sector from terrorists who mock the very idea of charity by converting good will and humanitarian aid into hate-filled agendas supported by blood money."

Based upon the following information and additional classified material, Treasury is designating Al-Aqil and the branches of AHF located in Afghanistan, Albania, Bangladesh, Ethiopia and the Netherlands.

### Afghanistan

In Afghanistan, prior to the removal of the Taliban from power, AHF supported the cause of Jihad and was linked to the UBL financed Makhtab al-Khidemat (MK), a pre-cursor organization of al Qaida and a Specially Designated Global Terrorist pursuant to the authorities of E.O. 13224.

Following the September 11, 2001 terrorist attacks, activities supporting terrorism in Afghanistan continued. In 2002, activities included involvement with a group of persons trained to attack foreigners in Afghanistan. A journalist suspected of meeting with al Qaida and Taliban members in Afghanistan was reportedly transferring funds on behalf of the al Qaida-affiliated AHF and forwarding videotapes from al Qaida leaders to an Arabic language TV network for broadcast.

### Albania

Irfan Tomini Street, #58  
Tirana, Albania

The U.S. has information that indicates UBL may have financed the establishment of AHF in Albania, which has been used as cover for terrorist activity in Albania and in Europe. In late 2000, a close associate of a UBL operative moved to Albania and was running an unnamed AHF subsidiary. In 1998, the head of Egyptian Islamic Jihad in Albania was reportedly also a financial official for AHF in Albania. This individual, Ahmed Ibrahim al-Nagar, was reportedly extradited from Albania to Egypt in 1998. At his trial in Egypt, al-Nager reportedly voiced his support for UBL and al Qaida's August 1998 terrorist attacks against the U.S. embassies in Kenya and Tanzania.

Salih Tivari, a senior official of the moderate Albanian Muslim community, was murdered in January 2002. Ermir Gjinishi, who had been supported by AHF, was detained in connection with the murder, but no charges were filed; he was later released by Albanian authorities. Just prior to being murdered, Tivari informed the AHF-affiliated Gjinishi that he intended to reduce "foreign Islamic influence" in the Albanian Muslim community.

Prior to his murder, Tivari controlled finances, personnel decisions, and donations within the Albanian Muslim community. This provided him significant power, enabling him to survive several attempts by extremists trained overseas to replace him or usurp his power.

As of late 2002, AHF was reportedly withdrawing virtually all funding to the Albanian Muslim community. AHF in Albania was to send all proceeds from the sale of some property to the AHF headquarters in Saudi Arabia. As of late 2003, AHF was paying for, through a HAMAS member with close ties to AHF in Albania, security personnel to guard the AHF building in Albania, which had been shut down earlier in 2003.

### Bangladesh

House 1, Road 1, S-6  
Uttara, Dhaka  
Bangladesh

Information available to the U.S. shows that a senior AHF official deployed a Bangladeshi national to conduct surveillance on U.S. consulates in India for potential terrorist attacks. The Bangladeshi national was arrested in early 1999 in India, reportedly carrying four pounds of explosives and five detonators. The terrorist suspect told police that he intended to attack U.S. diplomatic missions in India. The suspect reportedly confessed to training in al Qaida terrorist camps in Afghanistan, where he met personally with Usama bin Laden in 1994. The suspect first heard of plans for these attacks at the AHF office in Bangladesh.

### **Ethiopia**

Woreda District 24 Kebele Section 13  
Addis Ababa, Ethiopia

Information available to the U.S. shows that AHF in Ethiopia has provided support to Al-Ittihad Al-Islamiya (AIAI). In Ethiopia, AIAI has engaged in attacks against Ethiopian defense forces. AIAI has been designated both by the U.S. Government and by the UN 1267 Sanctions Committee.

Ethiopia is one of the countries where AHF's website states that they have operations, but there does not appear to be a formal branch office. As part of our efforts to designate this branch, we are asking that action be taken to ensure that individuals cannot use the name of AHF or act under its auspices within, or in connection with services provided in, Ethiopia.

### **The Netherlands**

(a/k/a Stichting Al Haramain Humanitarian Aid)  
Jan Hanzenstraat 114, 1053SV  
Amsterdam, the Netherlands

Since 2001, Dutch officials have confirmed that the Al Haramain Humanitarian Aid Foundation located in Amsterdam is part of the larger AHF network and that Al-Aqil, also being designated today, is chairman of this foundation's board of directors. As noted elsewhere in this document, AHF was the founder and leader of AHF and was responsible for all of its activities, including its support of terrorism.

### **Aqeel Abdulaziz Al-Aqil's**

DOB: April 29, 1949

These activities within the branches took place under the control of Aqeel Abdulaziz Al-Aqil, the founder and long-time leader of AHF and a suspected al Qaida supporter. Al-Aqil has been identified as AHF's Chairman, Director General and President in a variety of sources and reports. As AHF's founder and leader, Al-Aqil controlled AHF and was responsible for all AHF activities, including its support for terrorism. Having been under investigation in late 2003, by March 2004 Al-Aqil was reportedly no longer leading AHF activities; however, some reports indicate Al-Aqil may still be in a position to exercise control or influence over AHF.

When viewed as a single entity, AHF is one of the principal Islamic NGOs providing support for the al Qaida network and promoting militant Islamic doctrine worldwide. Under Al Aqil's

leadership of AHF, numerous AHF field offices and representatives operating throughout Africa, Asia, Europe and North America appeared to be providing financial and material support to the al Qaida network. Terrorist organizations designated by the U.S. including Jemmah Islammiya, Al-Ittihad Al-Islamiya, Egyptian Islamic Jihad, HAMAS and Lashkar E-Taibah received funding from AHF and used AHF as a front for fundraising and operational activities.

Under Al-Aqil's leadership, AHF implemented its tasks through its offices and representatives, which span more than 50 countries around the world. AHF maintained nine general committees and several other "active committees" that included the "Continuous Charity Committee, African Committee, Asian Committee, Da'wah and Sponsorship Committee, Masjid Committee, Seasonal Projects Committee, Doctor's Committee, European Committee, Internet and the American Committee, the Domestic Committee, Zakaat Committee and the Worldwide Revenue Promotion Committee."

After the AHF branch in Bosnia was designated in 2002, it immediately began efforts to avoid these sanctions. Despite the joint efforts of the United States and Saudi Arabia to designate the al Qaida-affiliated AHF Bosnia branch office, and the subsequent raid of this office by Bosnian authorities on June 3, 2002, all AHF employees were ordered to avoid cooperating with Bosnian and other authorities under Al-Aqil's leadership. In 2003, AHF headquarters in Saudi Arabia provided instructions to AHF in Bosnia for the disposition of AHF assets. These instructions provided for actions contravening local and international counter terrorism laws and regulations. Al-Aqil stated that AHF's work in Bosnia would continue. After the Bosnian branch reconstituted itself under the name "Vazir," the U.S. and Saudi Arabia joined in designating the branch as an alias for the AHF-Bosnian branch.

These entities are subject to designation under Executive Order 13224 pursuant to paragraphs (d)(i) and (d)(ii) based on a determination that they assist in, sponsor or provide financial, material, or technological support for, or financial or other services to or in support of, or are otherwise associated with, persons listed as subject to E.O. 13224. These branches also meet the standard for inclusion in the United Nations' 1267 Sanctions Committee's consolidated list because of the support provided to UBL, al Qaida or the Taliban,

Inclusion on the 1267 Committee's list triggers international obligations on all member countries, requiring them to freeze the assets of these offices. Publicly identifying these supporters of terrorism is a critical part of the international campaign to counter terrorism. Additionally, other organizations and individuals are put on notice that they are prohibited from doing business with them.

Blocking actions are critical to combating the financing of terrorism. When an action is put into place, any assets existing in the formal financial system at the time of the order are to be frozen. Blocking actions serve additional functions as well, acting as a deterrent for non-designated parties who might otherwise be willing to finance terrorist activity; exposing terrorist financing "money trails" that may generate leads to previously unknown terrorist cells and financiers; disrupting terrorist financing networks by encouraging designated terrorist supporters to disassociate themselves from terrorist activity and renounce their affiliation with terrorist groups; terminating terrorist cash flows by shutting down the pipelines used to move terrorist-related assets; forcing terrorists to use alternative, more costly and higher-risk means of financing their

activities; and engendering international cooperation and compliance with obligations under U.N. Security Council Resolutions.

On March 11, 2002, the United States and Saudi Arabia initiated joint public efforts against terrorist support networks by designating and blocking the funds of the Somalia and Bosnia-Herzegovina branches of AHF based on evidence these branches were diverting charitable funds to terrorism. In 2003, the Saudi government ordered AHF to close all of its overseas branches. AHF stated it closed several branches, but continued monitoring by the United States and Saudi Arabia indicated that some branches, and/or former officials associated with these branches, were either continuing to operate or maintaining other plans to avoid these measures, such as the Bosnia-Herzegovina branch attempting to reconstitute itself and continue operations under the name "Vazir." Similarly, the Indonesian branch of AHF also sought to operate under an alias.

To counter these and other efforts, on December 22, 2003, the United States and Saudi Arabia announced the designation of Vazir, as an a/k/a for the AHF branch in Bosnia-Herzegovina. On January 22, 2004, the U.S. and Saudi Arabia announced the designation of AHF branches in Indonesia, Kenya, Tanzania and Pakistan. The Saudi Arabian government made it clear to host countries that these branch offices should not be considered Saudi entities and should be treated appropriately under local law.

The United States works to preserve the sanctity of charitable giving and the value of humanitarian aid provided by charities of all faiths. In this context, we are working to identify those charities that are abusing the trust of their donors. In addition to today's designation, several other charities have been designated by the United States because of their support of terrorism, including:

- Makhtab al-Khidamat/Al Kifah (formerly U.S.-based)
- Al Rashid Trust (Pakistan)
- Wafa Humanitarian Organization (Pakistan, Saudi Arabia, Kuwait and UAE)
- Rabita Trust (Pakistan)
- The Holy Land Foundation for Relief and Development (U.S.)
- Ummah Tamer E-Nau (Pakistan)
- Revival of Islamic Heritage Society (Kuwait, Afghanistan and Pakistan)
- Afghan Support Committee (Pakistan)
- Aid Organization of the Ulema (Pakistan)
- Global Relief Foundation (U.S.)
- Benevolence International Foundation (U.S.)
- Benevolence International Fund (Canada)
- Bosanska Idealna Futura (Bosnia)
- Lajnat al Daawa al Islamiyya (Kuwait)
- Stichting Benevolence International Nederland (Netherlands)
- Al Aqsa Foundation (U.S., Europe, Pakistan, Yemen, South Africa)
- Comité de Bienfaisance et de Secours aux Palestiniens (France)
- Association de Secours Palestinien (Switzerland)
- Interpal (UK)
- Palestinian Association in Austria (Austria)
- Sanibil Association for Relief and Development (Lebanon)

- Al Akhtar Trust (Pakistan)
- Six other branches of AHF (Bosnia, Indonesia, Kenya, Pakistan, Somalia, and Tanzania) (March 2002 and January 2004)

The United States is committed to rooting out terrorism by halting those who provide financial support for nefarious acts. With this designation, 374 individuals and entities will have been designated under President Bush's Executive Order aimed at freezing the assets of terrorists and their supporters. Nearly \$200 million in terrorist-related assets has been frozen or seized as a result of efforts by the United States and its allies.

# The Washington Post

## Saudi Charity to Be Dissolved

*By William Branigin and Susan Schmidt*  
Wednesday, June 2, 2004

Saudi Arabia announced today that it is dissolving a large Muslim charity, which the United States has accused of helping to fund the al Qaeda terrorist network, and transferring its funds into a new national entity that will be the sole vehicle for Saudi charitable donations for international causes.

The announcement at the Saudi Embassy in Washington came as the U.S. Treasury Department disclosed that the U.S. and Saudi governments have designated five additional branches of the al-Haramain Islamic Foundation as supporters of al Qaeda and other terrorist organizations, making the branches subject to international sanctions including the freezing of their assets.

The Treasury Department also announced that it was designating the former leader of al-Haramain, Aqil Abdulaziz Aqil, as an al Qaeda supporter. The Saudi government did not join in this move, saying it was still investigating Aqil, although it has frozen his assets in Saudi Arabia.

In a press conference at the Saudi Embassy, Adel Jubeir, the foreign affairs adviser to Crown Prince Abdullah, said the consolidation of charitable fundraising in the kingdom and the distribution of those funds abroad showed Saudi Arabia's commitment to ensuring that such donations are not used to support terrorism.

"We are determined to crush this evil from our midst," Jubeir said. He said the actions of al Qaeda in Saudi Arabia "have grown more desperate," and that "as they grow more desperate, our resolve grows stronger." He added, "Our leaders are committed to fighting terrorism no matter how long it takes."

Jubeir's comments followed a violent hostage-taking by suspected al Qaeda members that left 22 people dead in the oil center of Khobar over the weekend.

Jubeir said Saudi Arabia has arrested "hundreds" of terrorists, seized large arms caches and worked to "educate the public" about terrorism by ensuring that Muslim clerics in the kingdom present Islam as "a religion of peace and tolerance and not one of violence and murder."

He said Saudi authorities also have decided to "go after the finances" of terrorist networks, in part by cracking down on charities that send money to foreign beneficiaries. To that end, he said,

a new organization is being created, the Saudi National Commission for Relief and Charity Work Abroad.

"The new entity that is being set up will be the sole vehicle for private Saudi contributions that are raised in Saudi Arabia" for foreign causes, Jubeir said. All Saudi charities sending money abroad "will be folded into this new national commission," he said. He said the commission would "operate with total transparency," with an accounting every three months and audited statements every year.

The move, following a freeze on Saudi donations overseas a year ago, allows Saudis to resume charitable donations to overseas groups.

"Charity is a part of our faith," Jubeir said. "And charity is noble."

Al-Haramain, a huge charity in Saudi Arabia, raised as much as \$50 million a year at its peak, Jubeir said. He said he expects the new commission to raise and distribute about \$100 million a year.

In their joint action today, the U.S. and Saudi governments designated the branches of Haramain in Afghanistan, Albania, Bangladesh, Ethiopia and the Netherlands as al Qaeda supporters. Previously, the United States had named the charity's branches in Bosnia, Somalia, Indonesia, Kenya, Tanzania and Pakistan as terrorist supporters.

Al-Haramain has denied any links to Islamic terrorist groups.

The Treasury Department said Aqil, 55, the founder and former chief of Haramain, "was responsible for all [Haramain] activities, including its support for terrorism." It said in a statement that although Aqil was no longer in charge of Haramain as of March, he "may still be in a position to exercise control or influence" over the organization.

It described Haramain as "one of the principal Islamic NGOs [nongovernmental organizations] providing support for the al Qaeda network and promoting militant Islamic doctrine worldwide.

The Treasury statement said numerous Haramain field offices and representatives in Africa, Asia, Europe and North America "appeared to be providing financial and material support to the al Qaeda network."

Under Aqil's leadership, it said, the charity has operated in more than 50 countries all over the world.

**FOR IMMEDIATE RELEASE**

June 2, 2004

**CONTACT:**

Saudi Information Office

202-337-4076

<http://www.saudiembassy.net>

**SAUDI FOREIGN AFFAIRS ADVISOR STRESSES  
IMPORTANCE OF SAUDI CHARITY**

[Washington, DC] [June 2, 2004] – Today, at a joint press conference where Saudi Arabia and the United States designated five Al-Haramain branches under United Nations Security Council Resolution 1267 (1999), Saudi Foreign Affairs Advisor Adel Al-Jubeir emphasized the importance of charitable giving as a requirement of the Muslim faith.

He stated: "Charitable giving is a requirement of our faith. It defines who we are as Muslims. We are proud of the generosity and charity of our people. Through their donations over the years, millions of hungry people have been fed, tens of thousands of orphans provided for, thousands of wells drilled in arid parts of the world, shelters built for refugees in many parts of the world plagued by wars, and projects developed in areas to help alleviate poverty. Generous support for others in need is noble. But to guard against people taking advantage of our generosity, we have to ensure that the mechanisms for charitable work cannot be manipulated or misdirected by anyone."

The Kingdom of Saudi Arabia continues to encourage charitable giving and is committed, in accordance with the Islamic faith, to ensure that charitable funds reach their intended recipients.

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*This press release is distributed by Qorvis Communications, LLC on behalf of the Royal Embassy of Saudi Arabia. Additional information is available at the Department of Justice, Washington, D.C.*



**FOR IMMEDIATE RELEASE**

June 3, 2004

**CONTACT:**

Saudi Information Office

202-337-4076

<http://www.saudiembassy.net>

**AL-JUBEIR: SAUDI ARABIA WILL DO WHAT IS NECESSARY TO ENSURE  
OIL MARKET STABILITY**

*[Washington, DC] [June 3, 2004]* – Crown Prince Abdullah's Foreign Affairs Advisor Adel Al-Jubeir made the following statements regarding OPEC and world oil markets:

"We are determined and we are committed to providing enough oil to satisfy demand for crude oil. Our oil production has been increased to more than 9 million barrels. We have signaled to our customers that if they need additional barrels we will make them available. We are working with other OPEC countries to ensure stability in the oil markets, and we will do whatever we can to make sure that there is no shortage of crude oil."

"If prices are too high, customers are hurt, economic growth slows, demand for crude oil slows, and the world economy is damaged. This, in the long run, also hurts producers, who are part of the world economy. If the price is too low, the reverse occurs: Producers are hurt financially, consumption accelerates, demand skyrockets and we set ourselves up for another shortage. That is why, we believe, prices have to be at a moderate level that does not hurt consumers or producers. We believe that level is in the \$22-to-\$28 range for the basket of OPEC crude, and we are working to bring it to that level."

"Our policy over the last 30 years has been to ensure adequate supply of crude oil at moderate prices. That is what we are working towards. Today we are seeing \$42 oil. This price is clearly too high. It is clearly not acceptable, and we are determined to do whatever we can, in conjunction with the other OPEC countries to bring it down."

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*This press release is distributed by Qorvis Communications, LLC on behalf of the Royal Embassy of Saudi Arabia. Additional information is available at the Department of Justice, Washington, D.C.*

**FOR IMMEDIATE RELEASE**

June 7, 2004

**CONTACT**

Saudi Information Office

202-337-4076

<http://www.saudiembassy.net>

**PRINCE BANDAR EXTENDS CONDOLENCES ON DEATH OF RONALD REAGAN**

[Jeddah] [June 7, 2004] -- *Ambassador to the United States Prince Bandar bin Sultan today issued the following statement:*

"President Ronald Reagan will be remembered by people around the world as a great leader. It is my personal privilege to remember him also as a great friend. To his immediate family, and to the American people who are his extended family, I offer heartfelt condolences on behalf of myself and the people of Saudi Arabia.

"In the years that I have spent in Washington since I presented my credentials to President Reagan, I have been able to witness firsthand the full extent and impact of his legacy. The strength of his vision and character changed the world for the better, and the memory of his life will inspire other great leaders of the future."

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*This press release is distributed by Qorvis Communications, LLC on behalf of the Royal Embassy of Saudi Arabia. Additional information is available at the Department of Justice, Washington, D.C.*

**FOR IMMEDIATE RELEASE**

June 8, 2004

**CONTACT**

Saudi Information Office

202-337-4076

<http://www.saudiembassy.net>

**SAUDI AMBASSADOR CONDEMNS MURDER OF U.S. CITIZEN**

[Jeddah] [June 8, 2004] -- *Ambassador to the United States Prince Bandar bin Sultan today issued the following statement:*

"The murder of an American citizen in Riyadh today was a vicious crime perpetrated by cowards who serve no cause but hatred. Our thoughts and deepest sympathies are with the victim's family in this difficult time. The Kingdom of Saudi Arabia will bring those responsible to justice, God willing; and the Saudi people will not allow anyone to threaten the safety of their country, its citizens or its guests.

"The terrorists that are responsible for such inhuman acts are trying to undermine the Saudi state, destabilize our economy and terrorize our friends who have come to live, work and invest in the Kingdom. We are at war with these terrorists. There is no chance that they will succeed because the collective will of the Saudi people rejects their goals."

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**FOR IMMEDIATE RELEASE**

June 10, 2004

**CONTACT**

Saudi Information Office

202-337-4076

<http://www.saudiembassy.net>

**SAUDI JOURNALISTS ASSOCIATION ELECTS ITS BOARD**

[Washington, DC] [June 10, 2004] -- Saudi journalists have elected nine members to the board of the Saudi Journalists Association (SJA) including two women: Nawal al-Rashed, head of the women's department at Al-Riyadh daily newspaper and Nahid Bashateh, a journalist, also with Al-Riyadh. The election, in which more than 300 journalists took part, was held at Riyadh's Saud Al-Babtain Center for Heritage and Culture on June 7, 2004.

According to Ambassador to the United States Prince Bandar bin Sultan: "The establishment of this association is part of an ongoing comprehensive agenda for reform that aims to increase political participation and build the foundations for civil society in the Kingdom."

The Saudi Journalists' Association was set up on February 24, 2003 to protect the rights of journalists in the Kingdom and coordinate their relations with the media establishment. This year, the Consultative Council urged the Ministry of Culture and Information to encourage greater freedom of expression in the Saudi media and to open up opportunities for investment in journalism to the Kingdom's private sector.

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**FOR IMMEDIATE RELEASE**

June 14, 2004

**CONTACT:**

Saudi Information Office

202-337-4076

<http://www.saudiembassy.net>

**SUMMARY OF FATF REPORT AND CONCLUSIONS**

[Washington, DC] [June 14, 2004] - Saudi Arabia and its banking supervisor have a long history of vigorous action against criminal activity involving the monetary system. As a result, it does not have an appreciable illicit drug problem and is not a significant drug transit country. However, the country has been affected by terrorist attacks, notably in May 2003 and in November 2003, and as a result, Saudi authorities have focused heavily on systems and measures to counter terrorism and the financing of terrorism. This has involved the creation of new legislation, new systems and new organizations to detect and prosecute those involved in terrorist financing, along with action to increase the requirements for financial institutions on customer due diligence, the establishment of systems for tracing and freezing terrorist assets, and an increase in the regulation and transparency of charitable organizations. This legislation implemented the recommendations of the Financial Action Task Force (FATF), an inter-governmental body which develops and promotes policies, at both national and international levels, to combat money laundering and terrorist financing. In particular, FATF produces a set of recommendations which define best international practice as regards procedures to combat money laundering and terrorist financing. These procedures are known as the FATF 40 + 8 Recommendations.

Once these processes were in place, Saudi Arabia invited a team of assessors from FATF member countries to conduct an evaluation of the country's procedures against money laundering and terrorist financing. An evaluation of this kind involves the member country being examined by the FATF on the basis of an on-site visit conducted by a team of three or four selected experts in the legal, financial and law enforcement fields from other member governments. The purpose of the visit is to draw up a report assessing the extent to which the evaluated country has moved forward in implementing an effective system to counter money laundering and to highlight areas in which further progress may still be required.

In preparing the detailed assessment, assessors reviewed relevant anti-money- laundering and counter-terrorist financing laws and regulations, supervisory and regulatory systems in place to deter money laundering and terrorist financing, and criminal law enforcement systems. The evaluation team visited Riyadh in September 2003, and had meetings with senior officials from all of the major government departments. In addition the team met with the Saudi Arabian Monetary Agency (SAMA), which is the Kingdom's central bank, and with representatives from the commercial banking, insurance and money exchange and remittance sectors.

The evaluation team produced a report which was submitted to, and accepted by, the FATF plenary session on February 27, 2004. The report concluded that the systems and legislation in place in Saudi Arabia met the general obligations of the FATF 40 + 8 Recommendations.

The report summarized the steps which Saudi Arabia has taken to combat money laundering and terrorist financing. Its content and conclusions can be summarized as follows:

(a) *Legal System*

The evaluation concluded that the laws of Saudi Arabia met the FATF standards. The country has, and has had for some time, comprehensive rules covering anti-money-laundering and counter-terrorist financing requirements for the banking sector. Until the implementing regulations to the *Anti Money Laundering Law* (2003) are issued, the 2003 *SAMA AML/CFT Rules* for banks are the only rules that apply to the insurance sector regarding customer identification. The *Insurance Law* (2003) will allow, for the first time, the incorporation of new insurance companies within the Kingdom, and the *Capital Markets Law* (2003) will create a new securities sector with an independent and specialized supervisor separate from SAMA. These laws require the establishment of independent regulatory systems, which must ensure that appropriate money-laundering procedures are required of firms seeking to establish themselves under these new laws. Separate rules exist for the money exchange business.

The evaluation team conducted their evaluation as of the date of their visit. The visit occurred shortly before the coming into force of the Implementation Rules made under the 2003 AML Law. These rules completed the legal structure of Saudi Arabia's anti-money-laundering legal

system, and addressed the issues raised by the evaluators. In particular, the regulations make clear that terrorist financing using lawfully acquired funds is contrary to the Anti Money Laundering law (see *Recommendations* below).

The legal system of Saudi Arabia is based on Shari'ah. Money laundering and terrorist financing are offenses under Shari'ah law, and successful prosecutions have been brought for both money laundering and terrorist financing in the Shari'ah courts based on violations of Shari'ah law.

The Saudi courts will also assist the courts of other jurisdictions in the fight against money laundering and terrorist financing. The Anti Money Laundering Law requires Saudi courts to recognize a property confiscation order issued by a foreign authority, providing that the property would be subject to a confiscation order under Saudi Law. The country also has mechanisms for coordinating the execution and freezing of assets required by relevant UN Security Council Resolutions, and SAMA has issued a series of circulars to all commercial banks and exchange houses to inform them of their freezing obligations under UN Security Council Resolution 1267 (1999). Both the Anti Money Laundering Law and the Implementation Rules for the Vienna Convention provide a basis for the receiving and executing of foreign requests to confiscate, freeze and seize or trace criminal assets. Should a foreign request require an investigation that requires access to bank account information, the relevant information would be obtained from the commercial bank by SAMA.

*(b) Investigation and Enforcement Procedures*

The investigation team found that the country's investigation and enforcement mechanisms were substantive and effective. Law enforcement agencies operate under the responsibility of the Ministry of Interior, which sets policy through the Permanent Committee for Combating Terrorist Financing (PCCTF) and the Mutual Legal Assistance Committee (MLAC). The Bureau of Investigation and Prosecution is operationally autonomous from the Ministry of the Interior and since 2001 has responsibility for conducting criminal investigations and prosecuting cases on matters under its jurisdiction. These include the investigation of money laundering and terrorist financing. Article 11 of the *AML Law* (2003) mandated the creation of the Saudi Anti Financial Crime Unit (SAFCU) as the central intelligence gathering body

for the country. SAFCU has 27 permanent employees from a range of legal, financial and investigative backgrounds who work with a number of specialists who are to be seconded to the unit. There are plans to establish sub-branches of SAFCU in each of the 13 provinces of Saudi Arabia.

There has been a requirement to report suspicious transactions directly to the police since 1975. Prior to the creation of SACFU, financial institutions reported suspicious transactions to the local offices of the Directorate for Combating Drugs (DCD).

*(c) International Cooperation*

The evaluation team found that Saudi Arabia's legal structures regarding international cooperation were sound. Saudi Arabia is a signatory to a range of conventions, treaties and bilateral agreements that provide for general international cooperation particularly within the Middle East and Gulf Cooperation Council regions. The MLAC acts as a central point for the receipt of, and response to, foreign requests for legal cooperation on ML inquiries. In instances where it may be unclear what type of assistance can be provided the Board of Grievances has the overall authority for resolving any requests to enforce foreign judgements.

*(d) Charities*

The assessors found that the Saudi system of regulation of charities was more thorough and more effective than anything they had otherwise encountered, and should be a model for other jurisdictions. From 2003 charities have been required to operate only one main consolidated account for each organization, to hold the account in Saudi Riyals, not to transfer money outside Saudi Arabia, not to make cash disbursements and not to carry out transactions through ATM or credit cards. The effect of this is that all transactions with or through charities are identifiable both as to donors and as to recipients, and information as to such transactions is promptly available to SAMA and to the FIU.

*(e) Non-Bank Financial Institutions*

Non-Bank Financial Institutions (NBFIs) are subject to strict registration requirements: accountants, from the Saudi Society for Certified and Public Accountants; solicitors and notaries, from the Ministry of Justice; precious metals dealers, from the Ministry of

Commerce; domestic charities by the Ministry of Labour and international charities by the Ministry of Islamic Affairs.

*(f) Cash transactions*

SAMA has been engaged for many years in a project to move the Saudi economy to a fully bank-payment-based model. Significant steps have been taken to discourage large cash transactions and to encourage the use of bank transfers in order, *inter alia*, to improve the ability of the law enforcement authorities to monitor cash transactions. Saudi Arabia also monitors the physical movement of cross-border transportation of cash. The import or export of currency in excess of SR 10,000 must be declared at the border, or point of entry, and a record is maintained of declarations and investigations carried out if there are doubts as to the source of the money. Saudi Arabia applies strict controls on the movement of Saudi currency. Saudi banks are encouraged to buy any excess Saudi riyals that they may have accumulated in other countries, and persons leaving Saudi Arabia with large amounts of cash are encouraged to deposit the funds in a bank (and thus transfer the funds by wire or convert them to another currency) before departure. Consequently there is very little cross-border transportation of currency.

*(g) Recommendations*

The mutual evaluation team found that Saudi Arabia was not fully compliant with the FATF recommendations in only two of the areas surveyed.

- First, the team was not satisfied that the drafting of the definition of terrorist financing in the criminal law which proscribes it was sufficiently clear. Although there is no doubt that engaging in terrorist financing is contrary to the law and is a criminal offense, the team suggested improvements in the definition of terrorist financing which would bring the drafting into line with established international practice. The implementing regulations of the money-laundering and terrorist-financing laws adopted by Saudi Arabia have removed any ambiguities in this respect.

- Second, there is an issue as to transmission of originator information on wire transfers between banks, which appears to be common to many FATF member countries. Saudi Arabia is ready to proceed in this area in conjunction with global international payment systems (SWIFT). This is expected to occur in the near term once SWIFT is ready for Saudi Arabia.

The report also commented that requests for information addressed to Saudi Banks must be routed through SAMA, and that this added an extra step to, and could therefore delay, the process of providing effective legal assistance in AML/CFT inquiries or prosecutions. However this view is not accepted by Saudi Arabia. As the central bank and bank regulator, SAMA has great legal and moral authority over regulated banks, and its involvement in the process has always ensured that requests for information or cooperation are dealt with expeditiously.

Aside from these issues, the measures put in place by the country were found to be in line with best international practice.

###

**FOR IMMEDIATE RELEASE**

June 14, 2004

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**G-8 TASK FORCE COMMENDS SAUDI EFFORTS TO COMBAT  
TERROR FINANCING**

[Washington, DC] [June 14, 2004] – An international organization, established by G-8 nations, has completed an in-depth evaluation of Saudi Arabia's laws, regulations and practices to combat money laundering and terror financing. The evaluation conducted by the Financial Action Task Force (FATF) concluded that Saudi Arabia is "in line with the best international practices" and meets or exceeds all FATF recommendations in the areas of money laundering and terror financing.

According to Adel Al-Jubeir, Foreign Affairs Advisor to Crown Prince Abdullah: "A FATF team of experts came to Saudi Arabia and was given total access in order to understand what we are doing to fight money laundering and terror financing. The FATF team in its report confirms that the rules, regulations and control mechanisms put in place by Saudi Arabia to combat money laundering and terror financing are among the strictest in the world."

The FATF was established by the G-7 countries (now G-8) in 1989 for the development and promotion of policies, both at national and international levels, to combat money laundering and terrorist financing. The Task Force is a policy-making body which works to generate the necessary political will to bring about national legislative and regulatory reforms in these areas.

In conducting the evaluation, the FATF examiners reviewed the Saudi legal and regulatory systems, criminal law enforcement systems, financial control mechanisms and the extent of international cooperation. The study found that Saudi Arabia has met all of the obligations of the FATF 40+8 recommendations, which comprise a comprehensive framework for anti-money-laundering and counter-terrorism efforts designed for universal application.

The FATF also identified a number of areas of excellence. For example, in the area of charities, the assessors determined that the Saudi system of regulation of charities was more thorough and more effective than anything they had encountered elsewhere, and that it should serve as a model for other jurisdictions. The FATF team also determined that the country's investigation and enforcement mechanisms were substantive and effective.

Al-Jubeir stated: "The FATF evaluation should make it clear to all that Saudi Arabia takes the issue of money laundering and terror financing seriously and that it will work hard to ensure that its financial institutions and charities cannot be used for criminal activities."

The FATF also found areas where improvement is needed, and based on the FATF recommendations, Saudi Arabia has already taken corrective action. For example, the team believed that the definition of terrorist financing in the criminal law which proscribes it should be clearer. Subsequently, Saudi Arabia has clarified these definitions in the implementing regulations of these laws, which have removed any ambiguities in this respect.

According to Al-Jubeir: "Any fair-minded observer will conclude that the actions Saudi Arabia has taken are bold, decisive and effective. And God willing, they will help rid our world of the scourge of terrorism."

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**A Report on Initiatives  
And Actions Taken by Saudi Arabia  
To Combat Terrorist Financing  
And Money Laundering**

Saudi Arabian Monetary Agency  
April 2004



## Foreword

**Following the horrific events of 11 September 2001, an international coalition composed of over 100 nations emerged to combat terrorism. The Kingdom of Saudi Arabia is a full partner in this global coalition.**

Saudi Arabia is dedicated to moderation and harmonious coexistence in the global community and is strongly opposed to all acts of violence and terrorism. Since the September 11 event, Saudi Arabia has been at the forefront of a more proactive, vigilant and collaborative global campaign to fight the dual menace of terrorist financing and money laundering. It has taken many additional legislative and administrative steps and actions to strengthen its legislative and regulatory framework, enhance its investigative capabilities and implement effective enforcement actions. This document identifies and highlights many concrete examples of such actions.



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## Executive Summary

Over the past decade there have been increasing global efforts to combat the menace of money laundering and terrorist financing. These concerns have been heightened by the 11<sup>th</sup> September events. Over the past two decades the Kingdom of Saudi Arabia has been at the forefront of an international campaign to combat this dual menace. In this regard, Saudi Arabia has taken several important initiatives including the ratification of UN Convention on Prevention of Terrorist Financing, promulgating of laws and regulations, issuing guidelines, fully supporting FATF activities, and ensuring implementation of all UN Security Council resolutions on Terrorist Financing.

In August 2003, Saudi Arabia has issued a money laundering law by Royal Decree No. M/39 which in effect criminalizes money laundering and financing of terrorism, terrorist acts and terrorist organizations.

Saudi Arabia has also established a robust framework for preventing the use of its financial system for money laundering and terrorist financing activities and has issued detailed instructions to its financial institutions in form of policies to "know your customers" entitled "Rules Governing the Opening of Bank Accounts and General Operational Guidelines."

In addition, in May 2003 SAMA has updated and issued a comprehensive circular entitled, "Rules Governing Anti-Money Laundering and Combating Terrorist Financing." These were first issued in 1995. Also, these circulars have stringent requirements for control over charitable and social entities. These include licensing requirements, SAMA approval for opening of a bank account, rules that all transactions to be carried out by cheques to provide an audit trail and prohibition on overseas transfer of funds. Saudi Arabian efforts in the domain of Anti-Money Laundering and Combating Terrorist Financing not only fully meet, but often exceed, the best international practices.



Taken together, these regulations constitute a strict framework to be followed by Saudi banks in dealing with their customers and in carrying out all transactions. These require banks to have complete knowledge about their customers and their business and to ensure that all transactions are fully documented. It is worth mentioning that these address all forms of payments and transfers, both within the country and on a cross-border basis. Consequently, no fund transfer can take place in Saudi Arabia without full documentation of the sender and the beneficiary. As a result of these procedures and due to large investments in fast and efficient payment systems, the informal cross-border payment systems popularly known as 'Hawala systems' have been made extinct. Also, 'Hawala systems' are deemed to be illegal and strict enforcement actions including financial penalties and prison terms have been taken against the violators.

Details of major Saudi Arabian actions and initiatives are listed hereunder.

### **A Summary of Major Resolutions Adopted and Agreements Signed by the Kingdom in Combating Terrorist Financing:**

- Implemented UN Security Council Resolutions No. (1267 - 1269 - 1333 - 1373 - 1390 - 1455 - 1456) on Combating Terrorist Financing.
- Implemented the Asset Freeze for some individuals and organizations pertaining to UNSC resolutions 1267 and 1333. The Kingdom of Saudi Arabia was one of the first countries that took action of freezing assets of Osama Bin Laden in 1994. Following the September 11 incident, Saudi Arabia took immediate action on 26<sup>th</sup> September 2001 to freeze the assets of individuals and organizations as per a list issued by the American government on 23<sup>rd</sup> of September 2001, much before the issuance of the official list by the United Nations Security Council.

*Freezing the  
terrorist funds*



Furthermore, the Kingdom of Saudi Arabia required all Saudi Commercial Banks to identify accounts in the names of all individuals and entities on the list. So far, Saudi Arabia has frozen 42 accounts belonging to 8 individuals and entities that total about US\$ 5,403,404.92.

*Multilateral and  
bilateral  
agreements  
signed*

- Signed Multilateral and Bilateral Agreements under the auspices of the Arab League in 1998 to fight terrorism.

*Other international  
actions*

- The Kingdom has also signed various bilateral agreements with non-Arab countries on security matters including money laundering and terrorist financing.

- Saudi Arabia has applied all UNSC Resolutions related to combat terrorism and terrorist financing including those related to the Taliban regime.

- Adopted UN Convention on Combating of Terrorist Financing, in form of the UNSC Resolution No. 1373.

*Institutional  
efforts*

- Immediately after September 11, the Kingdom established a Special Committee made up of experts from the Ministry of Interior, Ministry of Foreign Affairs, Saudi Arabian Intelligence Agency and the Saudi Arabian Monetary Agency (SAMA). This Committee is dedicated to dealing with issues related to terrorist financing. It also deals with requests from international bodies and other countries.

*Cooperation with  
the UN Security  
Council*

- The Kingdom has prepared and submitted reports on its initiatives and actions in respect of the fight against Terrorism to the UN Security Council Committees, according to the UNSC Resolution No. 1373 and 1390. These were made within 90 days of the date of these Resolutions.



**FATF's 8  
Recommendations  
on Terrorist  
Financing**

- In 2003, it submitted to the FATF a response to the Self-Assessment Questionnaire regarding its 8 Special Recommendations.

- The Kingdom has issued on April 2003 the Rules Governing Anti-Money Laundering and Combating Terrorist Financing.

- Established communication points in the Ministry of Foreign Affairs and the Kingdom's Permanent Representative to the UN on this subject.

- Set-up a real-time communication channel between the Ministry of Interior and SAMA in matters involving Terrorist financing activities.

**Exchange of  
Information**

- Saudi Arabia participates regularly in G-20 meetings, and has implemented all the relevant recommendations issued by the G-20 related to terrorist financing.

**The G-20 actions**

- Improved cooperation between the Kingdom and the United States through reciprocal visits. The Kingdom had received a number of US delegations with a focus on fighting terrorist financing even before the September 11 attacks on the US. Subsequently, the two countries have further strengthened their cooperation and are working together to fight money laundering and terrorist financing.

**Improved  
coordination with  
the US**

- In April 2003, it issued updated and comprehensive "Rules Governing the Opening of Bank Accounts and General Operational Guidelines" in the Kingdom, to further strengthen the implementation of 'Know Your Customer' policies.

**Issued 'KYC'  
Regulation**

With reference to charitable institutions, Saudi Arabia has instituted a strong framework of controls covering both the policy and operational matters. All charities need to be licensed, their bank accounts are to be approved by SAMA and they are prevented from engaging in cash

**Strengthening  
rules governing  
charities**



transactions.

**Policy Aspects:**

In terms of the Kingdom's policy and controls, SAMA Circular dated 8 April 2003 corresponding to 06/02/1424H entitled "Rules for Opening Bank Accounts & General Operational Guidelines" includes detailed procedures, which all charitable institutions must comply with. Significantly, this includes obtaining a license from the Ministry of Labor and Social Affairs or the Ministry of Islamic Affairs, which also forms the basis for a charity to function and to open and operate a bank account. SAMA Rules provide for the following important controls:

- On 26 February 2004, A Royal Decree was issued authorizing the setting up of a Public High Commission to oversight all relief and assistance operation outside the Kingdom.
- No cash withdrawals are permitted from the charitable institution's main account, and all cheques and drafts are to be in favor of legitimate beneficiaries and for deposits in a bank account only.
- No overseas fund transfers are allowed from these bank accounts.
- Selection of fit and proper Board Members of the charitable institution is required.
- Relevant Ministry's and SAMA's approval is required to open a bank account.

**Other Control Aspects:**

Other controls and operational procedures for charitable institutions are as follows:

- Charitable institutions are not permitted to use cash transactions so that there is an audit trail to facilitate compliance examinations, assessments and evaluations.
- Charitable institutions must maintain one main account. They can be given a subsidiary account only if it is justified. The permission for



subsidiary accounts is granted by SAMA.

- The subsidiary account can be used solely to receive funds and not to withdraw or transfer funds. Funds collected through a subsidiary account can only be transferred to the main account.
- Any deposits or donations to the main and subsidiary accounts shall only be accepted upon completing the necessary identification of the donors.
- No ATM Cards or Credit Cards can be issued for charitable institutions' accounts.
- For a charitable institutions to open an account the following documents must be provided:
  - ✓ A license from the Ministry of Labor and Social Affairs or the Ministry of Islamic Affairs.
  - ✓ A letter from the chairman of the society.
- At least two individuals duly authorized by the Board of a charitable institution shall be allowed to operate the main account.

### **A Summary of Major Actions Taken and Major resolutions Adopted by the Kingdom in the Combat of Money Laundering:**

*International actions*

- Signed and joined the Multilateral and Bilateral Agreements regarding the combat of Money Laundering, e.g., United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances 1988 (Vienna Convention).
- The ratification of the Executive Rules of the United Nations Convention.
- In 1999, issued Executive Rules in conjunction with the United



Nations convention against illicit traffic in narcotic drugs and psychotropic substances to be implemented in Saudi Arabia.

*Endorsed the  
FATF's 40  
Recommendations*

- In May 1999, the Saudi Cabinet issued its decision to fully implement the 40 recommendations related to the prevention of Money Laundering issued by the FATF.

*Coordination  
between different  
Ministries in the  
Kingdom*

- Saudi Arabia has set-up a Permanent Committee from different Ministries and Government Agencies to deal with money laundering issues in the Kingdom.

*The birth of a new  
Law*

- In August 23, 2003 Saudi Arabia has issued its Money Laundering Law - Royal Decree No. M/39.

*Strict guidelines  
for financial and  
commercial  
sectors*

- The Kingdom also issued instructions and guidelines to the Kingdom's financial and commercial sectors for combating money-laundering activities, such as "Rules Governing Anti-Money Laundering and Combating Terrorist Financing" issued on 27 May 2003. These updated the rules first issued in 1995.

*Anti-money  
laundering units*

- In 2001, the Ministry of Commerce also issued instructions and guidelines to the Kingdom's commercial sector for combating money-laundering activities. The Ministry of Commerce has also set-up a Special Unit for combating money laundering and terrorist financing and in addition, has issued on February 2004 the Guidelines for commercial businesses to combat money laundering and terrorist financing.

*The Financial  
Intelligence Unit  
(FIU)*

- Since 1995, Saudi Government has set-up Anti-Money Laundering Units at the Ministry of Interior, SAMA and the Saudi Commercial Banks.

*Hosting of  
numerous  
conferences*

- The Minister of Interior has established a Financial Intelligence Unit to deal with financial and economic crimes. This is now in the first phase of its operation.



*FATF connection*

- Saudi Arabia has hosted many conventions, conferences, seminars both locally and internationally related to the prevention of money laundering. The first FATF conference outside of Paris was held in 1994 at SAMA's Institute of Banking in Riyadh. This was followed by many other conferences on money laundering and terrorist financing.

*Self Assessment  
Questionnaires  
completed*

- Through its membership in the Gulf Cooperation Council, Saudi Arabia is also a member of the FATF and participates regularly in the FATF's meetings.
- Saudi Arabia has completed and submitted the Self-Assessment Questionnaire regarding the 40+8 recommendations of the FATF.
- Saudi Arabia has agreed to accept the New Methodology document related to the 40 FATF's recommendation on Money Laundering and 8 recommendations on Terrorist Financing.
- Saudi Arabia completed the Mutual Evaluation based on the 40+8 FATF Recommendations and was one of the first countries evaluated under this new methodology on September 2003. The result of this evaluation was discussed in February 2004 Plenary Meeting in Paris and the result was highly positive. In general, the Kingdom's Mutual Evaluation gathered one of the best results amongst other countries evaluated within the same criteria.
- Saudi Arabia has also completed the IMF-sponsored Financial Sector Assessment Program (FSAP).



## Combating Terrorist Financing Activities:

### Specific Actions Related to 11 September 2001 Incident:

#### *International actions*

The Kingdom of Saudi Arabia has been at the forefront of international efforts in fighting terrorist activities as well as combating any related financing to aid terrorists in pursuit of their objectives. In more specific terms, following the release by UNSC of the names of individuals and entities related to the suspected terrorist activities of 11 September 2001, Saudi Arabian Monetary Agency (SAMA) took prompt action and required Saudi banks to identify and freeze all assets related to or associated with the listed individuals and entities. Not only Saudi Banks have complied with the freeze and other requirements but they have also commenced investigations of such transactions with the identified individuals and entities that may have been undertaken during the past several years.

#### *Financial industry's contribution*

Furthermore, on specific instructions from SAMA, Saudi banks have established Self-Supervisory Committees to closely monitor and fight against the threat posed by terrorism and to coordinate all efforts to freeze the assets of the identified individuals and entities. The Committees are composed of senior bank officials responsible for money-laundering units, and for risk control, audit, legal and operations functions. These Committees generally operate with participation of SAMA officials.

#### *Self-supervising committee*

Furthermore and more importantly, Saudi banks have undertaken to respond to all relevant enquiries from both domestic and international counterparties, at the level of their Chief Executive Officers and/or their Self-Supervisory Committees. To ensure proper coordination and effective



response, all Saudi banks route their responses to such inquiries via SAMA.

*Extended support  
and cooperation*

### **Other Aspects of Co-operation Related to the Fight against Terrorist Financing:**

Saudi Arabia has publicly supported and extended cooperation to various international efforts for combating terrorism. These include:

*Kingdom's  
support of UN  
Resolutions*

- Signed in 1998 a Multilateral Agreement under the auspices of the Arab League to fight terrorism.
- Signed various Bilateral Agreements with Non-Arab countries.
- Endorsed the most recent UNSC Resolution No. 1368 dated September 12, 2001 related to terrorist financing activities.
- Implemented the requirements of various UN resolutions in relation with combating financing of terrorism, including adoption and implementation of the recent resolutions given below:
  - *Freezing funds and other financial assets of the Taliban regime based on UN Security Council's (UNSC) Resolution No. 1267.*
  - *Freezing funds of listed individuals issued by UNSC based on Resolution No.1333.*
  - *Signed the 1999 International Convention for Suppression and Financing of Terrorism, as required by UNSC Resolution No. 1373.*
  - *Reported to the UN Security Council's Committee the implementation of Rules and Procedures pertaining to Resolution No. 1373.*
  - *Reported to the UNSC on the implementation of Resolution No. 1390.*



## **Cooperation Between the Kingdom and the United States in Combating Terrorism:**

*Improved relations  
between the  
Kingdom and the  
US*

Over the past decade, there has been a significant improvement in cooperation between the Kingdom and the United States for combating terrorism. There have been a number of reciprocal visits of ministers and officials at various levels. Even before the September 11 attacks, the Kingdom had encouraged cooperation between the two countries. For example, there were two joint meetings of senior officials held in Saudi Arabia during the year 2000 followed by three meetings with US delegations in December 2001, January 2002 and May 2002. The two sides have discussed ways of improving the relationship and cooperation in fighting terrorist financing and agreed to arrange regular contacts and meetings in the future. Also, a delegation from the Kingdom's Ministry of Finance and SAMA visited the US on 3<sup>rd</sup> October 2001, and met with the US Treasury officials along with officials from other US governmental agencies. Another delegation met with the US Ministry of Justice on 30 October 2002. Over the past year, there have been many other contacts at various levels between the officials of the two governments to address important issues and to measure progress in combating terrorist financing.

## **Combating Money-Laundering Activities:**

*Legislative and  
regulatory  
framework*

### **1. Legal, Regulatory and Supervisory Framework:**

The Kingdom has a robust legislative framework and a strong regulatory and supervisory system for supervision of banking and financial services.



This infrastructure ensures that banks and other financial service providers remain vigilant and also have strong internal controls, processes and procedures to not only know the identity of their customers but to also have an awareness of their activities and transactions. The Saudi government has established a Permanent Committee composed of representatives from seven ministries and government agencies to deal with all legal and other issues related to money laundering.

*Money Laundering  
Prevention since  
the 1970s*

Saudi Arabia has considerable experience and a long history of preventing money-laundering activities extending well over the past several decades. For example, rules that prevent non-residents to open bank accounts without a business rationale have existed since the 1970s. Furthermore, as early as February 1990, Saudi Arabia had ratified the 1988 UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. This was followed by close collaboration with the Financial Action Task Force (FATF) in many areas.

*Improving the  
Legislative  
Framework*

During the past decade, the Kingdom has taken several steps to strengthen its legislative framework. On 10 February 1990, by a Royal Decree No. 19, the Kingdom ratified the 1988 United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (Vienna Convention). Subsequently, on 30 November 1998 the Council of Ministers issued its Decision No. 168, which approved and pronounced Executive Rules that include procedures and measures for implementing all of the provisions of the 1988 UN Convention.

*Implementation of  
the FATF's 40  
Recommendations*

Furthermore, on 3 May 1999 Saudi Cabinet issued its decision No. 15 to fully endorse the implementation of the 40 Recommendations related to Prevention of Money Laundering issued by the Financial Action Task Force (FATF).

A Permanent Committee has been set up to deal with all money laundering matters.

*Money Laundering  
is a criminal  
offense in the  
Kingdom*

In August 2003, the Money Laundering law was issued under Royal



Decree No. M/39 which criminalizes money laundering and the financing of terrorist activities.

## 2. Technical and Procedural Measures:

### *Guidelines and Procedures*

The following guidelines, systems and other control measures have been implemented in the Kingdom to conform with legislative, regulatory and supervisory framework.

In 1995, SAMA issued "Guidelines for Prevention and Control of Money Laundering Activities" to Saudi Banks. These Guidelines responded to the 40 recommendations of the FATF, and specifically require Saudi banks to implement "Know Your Customer Rules," maintain records of suspicious transactions, and to report any suspected activities to law enforcement agencies and to SAMA. In May 2003, SAMA issued an updated version of these guidelines to capture the 40+8 Special Recommendation of the FATF on combating the financing of terrorist activities. These Guidelines are comprehensive and also conform with the Basel Committee proposals that reflect the best practices of international banks and banking supervisors.

### *Rules on Opening a bank account*

To further strengthen the implementation of the earlier Cabinet Decision No. 15, on 5 August 2001, the Ministry of Commerce has issued Regulation No. 1312 that is aimed at preventing and combating money-laundering in the non-financial sector. These regulations are aimed at manufacturing and trading sectors and also cover professional services encompassing accounting, legal and consultancy services.

In addition, in May 2002, SAMA updated and issued rules Governing the Opening of Bank Accounts and General Operational Guidelines in order to protect banks against economic and financial crimes and money laundering activities. In April 2003, SAMA has issued another updated version of these guidelines. These rules are in line with the best international banking practices and regulatory requirements such as the "Know your Customer Rule" and "Customer Due Diligence For Banks"



covered in various documents issued by the Basel Committee over the past decade.

### 3. Institutional Framework:

Saudi Government has also taken concrete steps to create an institutional framework for combating money-laundering activities as described below:

*The Anti-Money  
Laundering Units  
and SAMA*

- Established an Anti Money-Laundering Unit in SAMA, with trained and dedicated specialist staff. Also, all Saudi banks are required to have anti money-laundering units with specialist staff to work with SAMA and the law enforcement agencies.
- Encouraged the banks to bring their money-laundering related experiences to the notice of various inter-bank committees including those of the Chief Operations Officers, Managing Directors, and officers designated to work on Fraud Prevention, Financial Crimes and Money Laundering for exchange of information, expertise and joint actions by the banking industry.
- Another major institutional initiative is the creation of a specialized Financial Intelligence Unit (FIU) in the Security Department of the Ministry of Interior. This Unit is specially tasked with handling money-laundering cases and to coordinate its activities with SAMA's Anti Money-Laundering Unit.

*The FIU*

### 4. Administrative Measures and Initiatives:

There are also a number of administrative rules in place that contribute to the prevention money laundering activities as given below;

*Strict procedures  
for Accounts  
Opening*

- Saudi banks are not permitted to open bank accounts for non-



resident individuals or corporates without specific approval of SAMA. Such approval is only granted in a few justified cases.

*Identification of  
Clients is a must*

*Reporting*

- Banks are required to apply strict "Know Your Customer" rules and any non-customer business has to be fully documented.
- All banks are required to report any money laundering or suspicious activity to the law enforcement agencies and to SAMA. The Agency has collected information on money laundering cases for over a decade and created a useful database. Saudi banks and SAMA are currently in the process of computerizing the reporting of cases by the banks to SAMA. This automation process will help to identify trends by various types of money laundering activities, geographical areas, magnitude of activities, etc., and thus provide useful inputs for policy making and other initiatives.

*Close  
Coordination and  
Cooperation*

#### 5. Compliance and Enforcement Activities:

There is close coordination of compliance and enforcement activities between the banks, SAMA and the law enforcement agencies as described below:

*Senior Courts*

- Money laundering and other suspicious activities are targeted and investigated. Those found violating laws and regulations are subject to severe financial penalties and imprisonment. Money laundering crimes are dealt with as high profile crimes and all cases are referred to a senior court.

*Regular  
inspections*

- SAMA's examination staff carries out regular inspections of banks to ensure compliance with laws and regulations. Any violation or non-compliance is a cause of serious actions that is referred to a bank's senior management and the Board of Directors. Furthermore, SAMA has created a Permanent Committee of Banks' compliance



officers to review SAMA's regulations and guidelines. This Committee recommends improvements to the policies and procedures and ensures all issues are resolved.

*Educating the  
concerned  
Individuals*

#### 6. Training:

*Continuous  
Education*

- Saudi authorities and SAMA have made significant efforts to impart relevant training to their staff. This includes staff at the Security and Investigation Department at the Ministry of Interior and others involved in compliance and law enforcement activities.

*Trainings for  
SAMA 's staff*

- Special training programs have been developed and delivered to bankers, prosecutors, judges, custom officers and other officials from government departments and agencies. Training programs are also offered by the Prince Naif Security Academy, King Fahad Security Faculty and Public Security Training City, etc. Experts with relevant knowledge and experience from SAMA give many sessions in these training programs.
- In addition, SAMA, Saudi banks and the Saudi Chambers of Commerce and Industry have been cooperating in organizing seminars and conferences on prevention of Money Laundering. Such activities have been held in cooperation with other international agencies. Examples include:
  - In collaboration with FATF, SAMA held a conference in 1993 at SAMA's Institute of Banking in Riyadh. This was the first FATF conference outside of FATF countries.
  - In 1996, SAMA hosted a conference on Money Laundering for bankers and staff from other GCC central banks and banking supervisory authorities.
  - In cooperation with the law enforcement agencies and banks,



SAMA initiated a conference with the Riyadh Interpol for the First Asian Regional Meeting under the auspices of Interpol head office in Lyon, France. This conference was held in Riyadh on 28-30 January 2002.

- During May 13-14 2002, the Council of Saudi Chambers of Commerce and Industry in cooperation with SAMA and the banks conducted an international conference on Prevention and Detection of Fraud, Economic Crimes and Money Laundering.

#### 7. International Cooperation:

Following is a profile of Saudi Arabia's international cooperation:

*Exchange of  
Information*

- Personnel from SAMA, other Saudi government departments and Saudi banks are encouraged to participate in international seminars, conferences and symposia on Prevention of Money Laundering and more recently for combating Terrorist Financing activities. Through its membership of the Gulf Cooperation Council, Saudi Arabia is also a member of the Financial Action Task Force. In this regard relevant staff from SAMA and other Government Departments have for many years worked closely with the FATF officials and have held regular meetings with them.

*Self Assessment  
Questionnaires*

- SAMA regularly exchanges information on money laundering related activities with other banking supervisory authorities and with law enforcement agencies.
- Saudi Arabia also completed the IMF sponsored Financial Sector Assessment Program (FSAP) evaluation on the first quarter of 2004.

Lastly is the aspect of charities, Saudi Government has instituted a strong framework of controls covering both the policy and operational aspects of charities. For example, all charities must not use cash transactions in order



to have audit trails to facilitate compliance examinations, assessments and evaluations.

In terms of policy controls, SAMA has issued "Rules for Opening Bank Accounts & General Operational Guidelines" which describe the acceptable process by which charitable institutions may obtain permission to open and operate a bank. An important prerequisite for such accounts is the obtaining of a license from the Ministry of Labor and Social Affairs or the Ministry of Islamic Affairs. These requirements are basic for carrying out any activity for which an account is required.

On the operational procedure of charitable institutions, these rules designed for easy supervision and monitoring of charitable organizations in the Kingdom are given under SAMA Circular dated May 24, 2003 on "Know Your Customer" corresponding to 23/04/1424H.

- A High Commission was created to oversight Charities.
- All charitable institutions must have one main account only and maybe given subsidiary accounts as they require or if necessary.
- The subsidiary accounts will be used solely to receive funds and not to transfer funds. Funds collected though a subsidiary account shall be transferred to the main account.
- Any deposit or donation to the main and subsidiary accounts shall only be accepted upon completing the requirement specifically the identification of donors.
- No cash denominations shall be withdrawn from the charitable institution's main account. A cheque will be issued in the name of a legitimate recipient and should be deposited to the recipient's account in order to acquire such funds.
- Banks are not allowed to issue ATM and/or Credit Cards to charitable institutions' accounts.
- No overseas fund transfers shall be allowed from those accounts.
- A license from the Ministry of labor and Social Affairs of the Ministry of Islamic Affairs is required for practicing the activity for which the account is required and a letter from the chairman of the



society is to be provided.

- At least two individuals duly authorized by the board of a charitable society shall be allowed to manage and be authorized as cheque signatories.

### Conclusion:

*The Kingdom's  
commitment to  
international  
efforts*

Saudi Arabia is dedicated to moderation and harmonious co-existence in the global community and for many decades, it has followed a policy of anti-terrorism and prevention of money laundering. Since 11 September 2001, Saudi Arabia has taken many additional legislative and administrative steps and actions, which have been widely shared with the international community.

**FOR IMMEDIATE RELEASE**

June 15, 2004

**CONTACT**

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**SAUDI RELIGIOUS SCHOLARS PROMOTE INTERFAITH PEACE AND  
CONDEMN TERRORIST ACTS**

[Washington, D.C.] [June 15, 2004] -- Both abroad and at home, Saudi religious scholars are condemning acts of terrorism and promoting the Islamic principles of peace and tolerance.

At an Embassy press conference in London, U.K., Minister of Islamic Affairs Shaikh Salih bin Abdulaziz Al As-Shaikh stated that Saudi Arabia has achieved a great deal of success in combating terrorism, with many perpetrators killed or arrested. The Kingdom, he said, enjoys political, economic and social stability in spite of the terrorist incidents that have recently occurred. Islam, he reiterated, is a religion of love and tolerance that calls for dialogue with others.

Shaikh Abdulrahman Al-Sudais, one of the imams at the Grand Mosque in Makkah, led Friday prayers on June 11 with over 55,000 worshippers gathered in and around the East London Mosque. Calling for interfaith peace and harmony, he urged Muslims to be united in setting an example of "the true image of Islam" in their interactions with other communities. "The history of Islam," he declared, "is the best testament to how different communities can live together in peace and harmony."

In Saudi Arabia, a number of well-known Muslim scholars issued a statement on June 13 strongly condemning the recent incidents that led to the killing of people and the damaging of property as outrageous crimes forbidden by the Islamic religion.

According to Ambassador to the United States Prince Bandar bin Sultan: "Senior religious scholars in Saudi Arabia have continually and unequivocally condemned terrorism. In our war against terrorism, these condemnations are a powerful weapon."

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**FOR IMMEDIATE RELEASE**

June 13, 2004

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**SAUDI AMBASSADOR CONDEMNS ATTACKS**

*Extends condolences to the families of the victims*

[Washington, DC] [June 13, 2004] -- Ambassador to the United States Prince Bandar bin Sultan today issued the following statement:

"The attacks on Americans living in Saudi Arabia are craven acts of evil. The actions of the terrorists represent the misguided nature of the few people who want to stop the movement toward progress and modernity in the Kingdom. Their intention is to shake our will, to frighten away our friends and allies, and to undermine our society. We are at war with these terrorists and with their ideology of hate. And we will succeed.

"I want to express my condolences to the families and friends of the victims. There is no justification for these brutal acts -- no justification whatsoever. We will continue to do all that we can to provide security for all people living in Saudi Arabia and, God willing, we will uproot the terrorists wherever they may hide."

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**FOR IMMEDIATE RELEASE**

June 16, 2004

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**9-11 COMMISSION STATES THERE IS NO EVIDENCE OF  
SAUDI GOVERNMENT FUNDING OF AL-QAEDA**

[Washington, D.C.] [June 16, 2004] -- The 9-11 Commission confirmed today that it has found no evidence that the government of Saudi Arabia funded Al-Qaeda. The 9-11 Commission also confirmed that it has found no evidence that the 9-11 hijackers received funding from Saudi citizens Omar Al-Bayoumi and Osama Bassnan, or from Princess Haifa Al-Faisal, wife of Ambassador to the United States Prince Bandar bin Sultan.

According to the 9-11 Commission's Staff Statement No. 15: "...we found no evidence that the Saudi government as an institution or senior officials within the Saudi government funded al Qaeda."

According to the 9-11 Commission's Staff Statement No. 16: "No credible evidence exists that the operatives received substantial funding from any person in the United States. Specifically, there is no evidence that Mihdhar and Hazmi received funding from Saudi citizens Omar al Bayoumi and Osama Bassnan, or that Saudi Princess Haifa al Faisal provided any funds to the conspiracy either directly or indirectly."

Adel Al-Jubeir, Foreign Affairs Advisor to Crown Prince Abdullah, stated: "The 9-11 Commission has dispelled two of the most outrageous myths about Saudi Arabia. Unlike the insinuations in a previous Congressional report, which perpetuated these myths instead of investigating them, now there are clear statements by an independent commission that separate fact from fiction."

Recently, Saudi Arabia has received praise both internationally and in the United States for its efforts in the financial war on terrorism. A report by the Financial Action Task Force (FATF), an international organization established by G-8 nations, concludes that Saudi Arabia is "in line with the best international practices" and meets or exceeds all FATF recommendations in the areas of money laundering and terrorist financing.

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FOR IMMEDIATE RELEASE  
June 20, 2004

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### **SAUDI OFFICIALS: NO DEAL WITH BIN LADEN**

[Washington, D.C.] [June 20, 2004] – The Kingdom of Saudi Arabia categorically rejects any claims that its government has ever provided support for bin Laden or Al-Qaeda, or made arrangements with them. Osama bin Laden was stripped of his Saudi citizenship in 1994, his assets were frozen and he was declared an outlaw.

According to Adel Al-Jubeir, Foreign Affairs Advisor to Crown Prince Abdullah: "Claims that the Saudi government aided or supported or made arrangements with bin Laden are nonsense. Bin Laden declared war on Saudi Arabia in the 1990s, and it has been our goal since then to bring him to justice."

An official statement from the 9-11 Commission has confirmed that there is no evidence of Saudi government financial support for Al-Qaeda.

Al-Jubeir stated: "It is unfortunate that there are individuals who continue to try to malign the Kingdom by spreading untruths, or making insinuations to damage its reputation." A similar situation, he said, arose in relation to the so-called "Saudi flights" which supposedly took off before American airspace was opened up in the wake of September 11: there were charges that the Saudi government, and Saudi officials, funded Al-Qaeda: it was done with charges that funds from Princess Haifa, the wife of the Saudi Ambassador to the United States, made their way to two 9-11 hijackers; and it is now being done now with this outlandish charge," stated Al-Jubeir. "And just like all the other myths, this one will also be dispelled when the facts are revealed."

During the late 1990s, Saudi Arabia made numerous attempts to secure bin Laden's extradition from Afghanistan. When the Taliban government rebuffed these attempts, the Kingdom downgraded its relations with the Taliban and substantially reduced its assistance.

Saudi Arabia has provided humanitarian assistance to Afghanistan, as have many other countries, including the United States, to help the people of Afghanistan overcome hunger and poverty, and to rebuild their country after a long, and brutal Soviet occupation.

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“Some are trying to intentionally confuse our foreign aid to Afghanistan in the late 1990s with support for bin Laden. That is misleading and false. By that definition, every country that provided aid to Afghanistan, including the U.S. and the European countries, supported bin Laden, and that is nonsense.” said Al-Jubeir.

According to the Congressional Research Service, the United States alone gave Afghanistan \$76.6 million in aid in 1999 and another \$113.2 million in 2000.

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**FOR IMMEDIATE RELEASE**

June 28, 2004

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**ONE OF SAUDI ARABIA'S MOST WANTED MILITANTS SURRENDERS**

[Washington, DC] [June 28, 2004] -- One of the men on a list of Saudi Arabia's 26 most-wanted turned himself over to authorities on Monday. Osman Hadi Al Maqboul Almery Alomary is suspected of involvement in terrorist activity and is the second militant to surrender under the terms of an offer that was broadcast on national television last week.

On June 23, the government of the Kingdom of Saudi Arabia offered those involved in terrorist activity a last opportunity to repent and voluntarily surrender within one month, or face resolute and determined force. Hours later, Sa'aban bin Mohammed bin Abdullah Al-Lailahi Al-Shihri, who for the past two years had been wanted in a security-related case, became the first militant to accept the offer and surrender to authorities. Whoever surrenders is assured due process in accordance with Shariah [Islamic Law].

This offer reflects the Kingdom's absolute commitment and preparedness to fully eradicate the scourge of terrorism using all resources and powers available to it.

According to Ambassador to the United States Prince Bandar bin Sultan: "We have drawn a line in the sand and offered a last chance for those who wish to repent. We are prepared for total war, and those who do not surrender face certain death."

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**FOR IMMEDIATE RELEASE**

July 2, 2004

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**SAUDI SECURITY FORCES KILL TWO TERRORISTS AND  
UNCOVER EXPLOSIVES LABORATORY**

[Washington, DC] [July 2, 2004] -- Two terrorists were killed in two separate shootouts with Saudi security forces earlier this week in Riyadh. Both terrorists were linked to a laboratory for preparing explosive devices, which was discovered by security forces in their investigations. Two members of security forces were also killed in these incidents.

On Wednesday, June 30, 2004, at 3:30 p.m., a group of suspects, some of whom were armed, was observed leaving a house in the King Fahd suburb of the city of Riyadh. Security forces tracked this group and ordered the vehicle they were driving to stop. The suspects immediately opened fire on the security forces, who returned fire. During the exchange, one of the suspects, Fahd bin Ali Aldakheel Algablan, and one member of the security forces, Private First Class Homoud bin Abdullah bin Homoud Al-Harbi, were killed. Six other officers, one civilian and two foreign residents were wounded. Security forces raided the house that the suspects were observed leaving, and seized, in addition to weapons such as machine guns and pistols, a laboratory for preparing explosive devices, equipment for forging documents, and materials for medical treatment and first aid.

On Thursday, July 1, 2004, in another incident in Riyadh, a suspected terrorist was killed. He has been identified as Awad bin Mohammed bin Ali Al-Awad, who was wanted for his involvement in, among other things, the April 12 incident in the Riyadh suburb of Al-Fayha in which a security officer lost his life. Another suspect injured yesterday and now under arrest has been identified as Abdulrahman bin Mohammed bin Abdulrahman Al-Abdulwahab, wanted in connection with the murder of a German resident in Riyadh on May 22. One security officer, identified as Private Muslih bin Saad Al-Qarni, was killed in the shootout. Another was wounded, as was a member of the National Guard. The incident arose from the ongoing pursuit of a group of wanted suspects who were observed leaving the house in Riyadh's King Fahd suburb on July 1, 2004.

Ambassador to the United States Prince Bandar bin Sultan stated: "We have given these terrorists a last chance to surrender – they know what will happen to them if they do not. Our brave security forces, who have sacrificed their lives time and again, are relentlessly pursuing Al-Qaeda; they are dismantling its cells and taking down its leaders one by one."

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**FOR IMMEDIATE RELEASE**

July 14, 2004

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**STATEMENT BY PRINCE BANDAR BIN SULTAN**

WASHINGTON (July 14, 2004) – Ambassador to the United States Prince Bandar bin Sultan was disturbed when he learned that the Fox News program “The O’Reilly Factor” insinuated that Saudi authorities search for the remains of Paul Marshall Johnson, Jr. is haphazard and that Saudi Arabia is making it difficult for the Johnson family to travel to the Kingdom and ascertain directly the state of the search. The Royal Embassy of Saudi Arabia has been in touch with the family. We grieve for their loss and we hope that God Almighty will grant them strength and patience as they go through this difficult time.

With regard to any difficulty obtaining a visa, Prince Bandar said. “The Embassy has not received any request from the Johnson family to visit Saudi Arabia. If we receive any such request we would not hesitate to arrange for visas, facilitate their travel to the Kingdom, and arrange meetings with Saudi officials inside the Kingdom who could brief them on the progress of the search.”

This is a major tragedy. Paul Marshall Johnson Jr. lived in Saudi Arabia for many years; he loved the country and its people. He made many friends there. According to Prince Bandar: “The search for his remains is a top priority for Saudi Arabia and we will do whatever we can to try to locate the body and restore it to the family so that they may bring this ordeal to closure.”

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**FOR IMMEDIATE RELEASE**

July 27, 2004

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**Foreign Minister Prince Saud Al-Faisal comments on 9-11 Commission Report**

JEDDAH, SAUDI ARABIA (July 27, 2004) - *Minister of Foreign Affairs Prince Saud Al-Faisal made the following statement in Jeddah on July 27, 2004:*

Last week, the United States' National Commission on Terrorist Attacks Upon the United States issued its final report. We appreciate the 9-11 Commission's hard work over the past 20 months, as well as the time spent by the Commission's staff in Saudi Arabia and with Saudi officials. They have produced a serious and comprehensive report, and we welcome their findings.

The 9-11 Commission has put to rest the false accusations that have cast fear and doubt over Saudi Arabia. For too long, Saudi Arabia stood morbidly accused of funding and supporting terrorism. In contrast to the insinuations of the infamous Congressional report, with its 28 redacted pages, which aimed at perpetuating these myths instead of investigating them seriously, now there are clear findings by an independent commission that separate fact from fiction.

The 9-11 Commission has confirmed that there is no evidence that the government of Saudi Arabia supported or funded Al-Qaeda. According to the report **"...we have found no evidence that the Saudi government as an institution or senior Saudi officials individually funded the organization."**

The falsehoods that were disseminated about the flights that carried some Saudis after 9-11 when American airports and airspace were closed were shown by the report for what they were: at best a figment of the imagination, and at worst an intent to incriminate. The Commission found that these flights were handled professionally, and **"they concluded that none of the passengers was connected to the 9/11 attacks and have since found no evidence to change that conclusion."**

The 9-11 Commission goes further to highlight the fact that the Saudi government was pursuing Bin Laden prior to the attacks on the United States. The report refers to the Kingdom's success in disrupting Bin Laden cells in Saudi Arabia **"that were planning to attack U.S. forces with shoulder-fired missiles."**

We are pleased with the report and we feel vindicated. We also hope that the "Saudi bashing" will now come to an end as people acknowledge the true facts about terrorist

activity and our determined efforts to combat it. Today, the government and the people of Saudi Arabia are engaged in a determined and deadly battle with Al-Qaeda forces. This is a battle that we cannot and will not lose. God willing. But to succeed, we need encouragement, not recrimination; we need partners, not prejudice; and we need cooperation, not condemnation.

For too long, almost any rumor about Saudi Arabia was accepted as truth and a rush to judgment ensued. What the pundits and constant critics of Saudi Arabia may not realize is that the image of Saudi Arabia they tried to impress on the American psyche is in line with what the terrorists themselves wanted to accomplish. And both pundits and terrorists, through their actions, intended to sever ties between our two countries and peoples.

But now is the time to put the hyperbole behind us and join hands to build a better future. There is much work to be done to restore U.S./Saudi relations to the basis of friendship and trust that existed in years past, and which both countries recognize as critical to national and international interests. We welcome the Commission's call for a reassessment of our relationship. Together, we need to strengthen the pillars upon which the Saudi-American relationship rests. Our relationship is built upon goals for global energy security, combating terrorism, the stabilization of Iraq, regional peace and security, and extensive trade and investment. Each of these areas is of great importance and directly impacts the economic well-being and security of both countries. And in each of these areas, there is much work to be done to broaden and deepen ties between us to herald a new era in our relationship.

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