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TERRORISM: GROWING WAHHABI INFLUENCE IN THE UNITED STATES

HEARING

BEFORE THE

SUBCOMMITTEE ON TERRORISM, TECHNOLOGY AND HOMELAND SECURITY

OF THE

COMMITTEE ON THE JUDICIARY
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TERRORISM: GROWING WAHHABI INFLUENCE IN THE UNITED STATES

THURSDAY, JUNE 26, 2003

UNITED STATES SENATE,
SUBCOMMITTEE ON TERRORISM, TECHNOLOGY AND HOMELAND SECURITY, OF THE COMMITTEE ON THE JUDICIARY,
Washington, DC.

The Subcommittee met, pursuant to notice, at 2:12 p.m., in room SD–226, Dirksen Senate Office Building, Hon. Jon Kyl, Chairman of the Subcommittee, presiding.

Present: Senators Kyl and Schumer.

OPENING STATEMENT OF HON. JON KYL, A U.S. SENATOR FROM THE STATE OF OHIO

Chairman KYL. Welcome to this hearing of the Senate Judiciary Subcommittee on Terrorism, Technology and Homeland Security. Our hearing today is entitled, "Terrorism: Growing Wahhabi Influence in the United States."

Let me, first of all, indicate to those in the audience that we are engaged in about three different things that are directly relevant to this Committee right now.

First of all, there is a full Committee markup occurring right now on the asbestos litigation or legislation, and we are all supposed—well, litigation and legislation—we are going to be running back and forth to that. We have four votes scheduled at 2:40 on the floor of the Senate, and so we will have to excuse ourselves for that.

I apologize to all of you, especially those of you who are witnesses here because there will be some disruption in our schedule, but we will begin and move forward as much as we can. Senator Feinstein will not be able to join us, at least at this point, but hopefully will be here later, and some of the other members of the Committee are hoping the join us. But what I would like to do is get started, make a brief statement, have Senator Schumer make a brief statement and then at least begin with our first two representatives of our Government, representing the first panel.

We are here today to discuss a vital, if largely overlooked, aspect of the terrorist campaign being waged in our country, and I think unless we pay closer attention to it and understand it, we will not know how to protect ourselves against this. Our witnesses today are going to talk about how this terrorist campaign is supported in the United States and how it has been caused to spread.

The problem we are looking at today is the State-sponsored doctrine and funding of an extremist ideology that provides the re-

cruiting grounds, support infrastructure and monetary life blood of today's international terrorists. The extremist ideology is Wahhabism, a major force behind terrorist groups, like al Qaeda, a group that, according to the FBI, and I am quoting, is the "number one terrorist threat to the U.S. today."

Nearly 22 months have passed since the atrocity of September 11th. Since then, many questions have been asked about the role in that day's terrible events and in other challenges we face in the war against terror of Saudi Arabia and its official sect, a separatist, exclusionary and violent form of Islam known as Wahhabism.

It is widely recognized that all of the 19 suicide pilots were Wahhabi followers. In addition, 15 of the 19 were Saudi subjects. Journalists and experts, as well as spokespeople of the world, have said that Wahhabism is the source of the overwhelming majority of terrorist atrocities in today's world, from Morocco to Indonesia, via Israel, Saudi Arabia, Chechnya.

In addition, Saudi media sources have identified Wahhabi agents from Saudi Arabia as being responsible for terrorist attacks on U.S. troops in Iraq. The Washington Post has confirmed Wahhabi involvement in attacks against U.S. forces in Felugia. To examine the role of Wahhabism and terrorism is not to label all Muslims as extremists. Indeed, I want to make this point very, very clear. It is the exact opposite. Analyzing Wahhabism means identifying the extreme element that, although enjoying immense political and financial resources, thanks to support by a sector of the Saudi state, seeks to globally hijack Islam, one of the world's three great Abrahamic faiths. It means understanding who our worst enemies are and how we can support the majority of the world's Muslims, ordinary, normal people who desire to live in a safe, secure, and stable environment, in their own effort to defeat terror. In the end, Islamist terror must be defeated to a significant extent within Islam by Muslims themselves.

Based on Government documents, Newsweek magazine reported in its recent issue, June 23rd, that al Qaeda, which experts have described as a Wahhabi movement, has overhauled its approach to penetrating the United States, and I just want to quote this one paragraph before I conclude.

"To foil the heightened security after 9/11, al Qaeda began to rely on operatives who would be harder to detect. They recruited U.S. citizens or people with legitimate Western passports who could move freely in the United States. They used women and family members as support personnel, and they made an effort to find African-American Muslims who would be sympathetic to Islamic extremism, using mosques, prisons and universities throughout the United States."

"According to the documents, the former al Qaeda director of Global Operations who was captured in Pakistan last March reached deep into the heartland, lining up agents in Baltimore, Columbus, Ohio, and Peoria, Illinois. The Feds have discovered at least one—" and this is Khalid Shaikh Mohammed "—one KSM-run cell that could have done grave damage to the United States."

The extreme nature of Wahhabism is well established. As the great scholar of Islam, Bernard Lewis, has noted, "Saudi oil revenues have," and I am quoting here, "allowed the Saudis to spread

this fanatical, destructive form of Islam all over the Muslim World and among the Muslims in the West. Without oil and the creation of the Saudi kingdom, Wahhabism would have remained a lunatic fringe."

Now, some of the testimony that you will hear today will be chilling. It will describe a well-organized, foreign-funded terrorist support enterprise that is networked across our own country, as well as the rest of the world. Today, we will hear testimony about Saudi, al Qaeda, and Wahhabi involvement in terrorism. In particular, the Department of Treasury will make clear that the ultimate goal of terrorist financings is destruction and will comment on the involvement of Saudi-based entities and individuals in terrorism.

Representatives of the FBI will testify that the al Qaeda network remains the most serious threat to U.S. interests here and overseas.

In addition to the FBI and Treasury, two private organizations that have spent a great deal of time wrestling with these issues, the Center for Security Policy and the Foundation for the Defense of Democracies, will show the link between al Qaeda and Wahhabism and will address the struggle against terrorist financing and terrorist penetration of our country, the origins of Wahhabism, its international ambitions and its influence in American Islam.

I welcome all of you to this hearing today, and now we will turn to somebody who has also devoted a great deal of time and effort to this war on terror here in the United States, my colleague, Chuck Schumer.

STATEMENT OF HON. CHARLES SCHUMER, A U.S. SENATOR FROM THE STATE OF NEW YORK

Senator SCHUMER. Well, thank you. And I want to thank you, Chairman Kyl, for having this very important hearing. This is an issue that I have been very interested in, as you have mentioned; terrorism, in general, and Wahhabism, in particular, for quite a while.

And the issue we are addressing is very important in our effort the protect America from future terrorist attack. We have learned that when you ignore it, it gets worse, and so I really salute you for having this hearing.

Now, since the Wahhabi presence in the United States is a foreboding one that has potentially harmful and far-reaching consequences for our Nation's mosques, schools, prisons and even our military, these hearings could not come at a more opportune time.

But before I begin, I want to make one thing absolutely clear: Islam is an admirable and peaceful faith that embraces tolerance, morality, and charity. As you mentioned, it is one of the three great Abrahamic faiths, and the bottom line is anyone who misinterprets and says speaking out against an extreme faction that advocates violence is speaking out against one of the great religions because a few of its adherents seek to hijack what that faith is all about, are totally misinterpreting and not being American.

What we do not do as Americans is, and we have learned this because of our long history with race and racial problems is, take

a person and say you are of this faith, you are branded by some who might share that faith and distort it, and we are against everybody or take action against everybody or discriminate against you. I think that is extremely important, and we should underline it.

Now, most of the Muslim world follows the tenets of mainstream Muslim of a peaceful, admirable faith, but unfortunately the increasingly influential and radical Wahhabi ideology distorts this message by preaching hate, violence and intolerance, not only toward the Judeo-Christian world, but towards moderate Muslim as well, to the rest of the Muslim faith.

Al Qaeda, and the 9/11 terrorists were the products of Wahhabism's hateful and intolerant system of belief, and over the past year my office has been studying Wahhab activities in the United States and around the world and has uncovered disturbing information. Wahhabism is an extremist exclusionary form of Islam that not only denigrates other faiths, but also marginalizes peaceful followers of Islam, like Shia and most Sunnis.

The roots of Wahhabism can be found in Saudi Arabia, where the governing regime has made an ugly deal with that Nation's radical Muslim clerics. The Saudis give Wahhabis protection and support in exchange for Wahhabis promising not to undermine the Saudi royal family. This is nothing short of a deal with the devil. It is the wrong thing to do, and I would urge, I have urged, the Saudi Government to refrain from it because it is going to lead to their own undoing, as well as lack of freedom for their people, as well as lack of progress for their people.

The Wahhabis get to preach the hate and extremism that form core tenets of Wahhabism without consequence, and more importantly, because that still falls under Freedom of Speech. It's when you step over the line between advocating something verbally, and then doing it, and we have learned that this has happened over and over again, the Wahhabis are allowed to recruit disciplines who pose a tremendous threat to Americans everywhere.

I have written letter after letter to the Saudi Government asking it to denounce the Wahhabi teachings of its madrassas or religious schools which preach extremism and stop funding them. I am sure everyone will be shocked to hear that thus far I have not received any response from them indicating any change in policy.

As the Saudis turned a blind eye, the Wahhabi machine is becoming well-financed, politically powerful, difficult to prosecute and making dramatic inroads here in the United States. Let me give you an example of how Wahhabism has reached some degree of havoc in my own backyard in New York State.

For 20 years, the New York State Department of Corrections employed Warith Deen Umar as one of its chaplains, eventually appointing him administrative chaplain of the New York Department of Correctional Services. A strict believer in Wahhabi Islam, Umar was responsible for the hiring and firing of all chaplains in the New York State prison system, exercising complete control over personnel matters. But last year Mr. Umar was banned from ever again entering a New York State prison, after he incited prisoners against America, specifically preaching to inmates that the 9/11 hijackers should be remembered as martyrs.

Many of the clerics Umar hired during his tenure have reportedly echoed his sentiments and sermons before many of New York State's 13,000 Muslim inmates, as well as, and this is the amazing point, impeding their freedom of religion by denying these prisoners access to materials and imams used by more moderate forms of Islam. There is even one report when a Sunni Muslim prisoner wanted a different chaplain to come in that he was beaten because Umar wanted only the Wahhabi faith to be appointed as chaplains in the New York State prisons. While it is not surprising that Umar would have hired clerics who shared his beliefs, I am terribly worried that his minions may have exposed members of New York's prison population to his extremist and toxic anti-American views.

More than preaching hate, many of the clerics of Wahhabism seem to be actively opposing the U.S. Government. In March, Federal prosecutors in New York indicted a chaplain at the Auburn correctional facility in New York State for sending millions of dollars to organizations in Iraq, in violation of U.S. sanctions. He has since pleaded guilty to the offense.

When my office researched further, we discovered that New York's prisons were not the only ones that had been penetrated by this kind of Wahhabi zealotry. The U.S. Federal Bureau of Prisons uses two groups to select imams who administer to Muslim inmates. The Graduate School of Islamic and Social Sciences, whose offices are right across the river in Northern Virginia and the Islamic Society of Northern America.

As some of the experts appearing later today can testify, both of these groups appear to have disturbing connections to Wahhabism and terrorism. The GSISS is under investigation as part of U.S. Customs Operation Green Quest, for its possible role in helping to funnel $20 million to terrorists throughout off-shore financial institutions.

Meanwhile, a number of ISNA board members appear to have checkered pasts. One member, Siraj Wahhaj, was named as an unindicted co-conspirator in the WTC, in the World Trade Center 1993 bombings. Another member, Bassam Osman, was previously the director of the Koranic Literary Institute, an Oak Lawn, Illinois, organization that had $1.4 million in assets seized by the Justice Department in June 1998, on the grounds it was used to support HAMAS activities.

To make matters worse, the GSISS, as well as another Wahhabi-influenced organization that is under investigation by Green Quest, the American Muslim Foundation, are the sole organizations credentialed to advise the Pentagon on who to choose as imams to serve the 4,000 patriotic and valiant Muslim soldiers in the U.S. military. Again, these two groups are not totally Wahhab, but they seem to tolerate those who are Wahhab and who step over the line, as these facts have shown, not just in preaching violence and hatred, but actually acting upon it, and that is the crucial line that we are interested here in, not to deal with freedom of speech, but rather to deal with actions that cause, aid and abet terrorism.

While the potential Wahhabi influence in the U.S. Armed Forces is not well-documented, these organizations have succeeded in ensuring that militant Wahhabism is the only form of Islam that is preached to the 12,000 Muslims in Federal prisons. That is against

the American view of pluralism. If there are some in the prisons who want Wahhab ministers, that is one thing, but for every Muslim to be forced to have a Wahhabi minister, that is wrong, incorrect, and against the American way.

These imams flood the prisons with anti-American, pro-bin Laden videos, literature, sermons, and tapes. They destroy literature sent to the prisons by more moderate Shia and Sunni organizations and prevent imams that follow these traditions from speaking to prisoners.

In addition, non-Wahhabi Muslim prisoners who seek to practice their religion often receive threats from Wahhabi prisoners who have been instructed by Wahhabi imams. The point to prison is to rehabilitate violent prisoners. Instead, the Wahhabi influence is inculcating them with the same kind of militant ideas that drove the 9/11 hijackers to kill thousands of Americans. Mr. Chairman, this is a dangerous situation that is essentially being ignored. Because despite the evidence, the Federal Bureau of Prisons, and the Pentagon, continue to allow these Wahhabi organizations, under Federal terrorist investigation, to serve as their sole religious advisers when it comes to Islam.

In an effort to end the practice, I have written to the Inspectors General of the Department of Justice and the Department of Defense, both of whom responded to tell me they are looking into the matter. However, Mr. Chairman, their efforts are only a first step towards revealing the full picture of the Wahhabi presence in America. And make no mistake, we need to develop the full picture if we are to prevent these extremist teachings from causing damage, terrorism, in this country.

Now, more than ever, I am convinced that the process to counter this hateful ideology begins with Saudi Arabia. The Saudis can, and should, stop the terrorist financing that goes on within their borders. The Saudis can, and should, track down and arrest terrorists that hide out in their countries, but if they truly want to stop the violence that led to 9/11 and the recent attacks in Riyadh, going beyond simple Band-Aid action, the Saudi Government must repudiate the Wahhabi extremism that is the source of much of this violence.

It means stop funding the extremist madrassas, purging the hate-filled textbooks that populate Saudi schools, and putting an end to the extremist Wahhabi preaching that takes place in so many of the mosques in Saudi Arabia. If the Saudis do not end the funding and teaching of extremism, the cycle of terrorist violence wracking the globe will get worse.

In addition, our Government, specifically, the Defense Department and the Federal Bureau of Prisons, must do a better job connecting the dots between the organizations with which they do business and Wahhabi activists, eliminating those influences and bringing pluralism to the Muslim population in the prisons and the army, as it is available to those of the other great religions.

Mr. Chairman, by holding these hearings, you are doing your part to show that we have, you are doing what is necessary to ensure that we do not look back after the next terrorist attack and say, "Why did we not stop it when we had the chance?" My worry is that the Saudis, and many in this administration, are not heed-

ing these warning signs. My worry is, by not heeding these signs, we are once again letting those who hate freedom recruit disciples in our country that might potentially do us harm.

My fear, Mr. Chairman, in conclusion is that if we do not wake up and take action now, those influenced by Wahhabism's extremist ideology will harm us in, as of yet, unimaginable ways.

I thank you, again, for holding this hearing.

Chairman KYL. Thank you very much, Senator Schumer, for that excellent statement, and let me say that it was my intention today for this hearing to be a rather broad, foundational kind of information gathering. And that we would then begin a series of hearings on the recruitment in prisons, in mosques, in our own military, and in the other areas that you identified there. We will, obviously, be both working with the administration, as well as others, on the outside who have information that can be brought to bear. So you have really laid down a good marker for where we want to go with our future hearings.

We are really fortunate today to have two of the great public servants in our administration, David Aufhauser, who is the general counsel for the Department of Treasury. He is the chief legal adviser and a senior policy adviser to the Secretary of Treasury. He serves as Chairman of the National Security Committee's Policy Coordinating Committee on Terrorist Financing and currently supervises the Office for Terrorist Financing and Financial Crimes.

And also Larry Mefford, the assistant director of the FBI. He is in charge of the FBI's Counterterrorism Division. In this position, he is responsible for the oversight, direction, and coordination of all FBI efforts to combat terrorism against the United States.

As I said, we could not have two better witnesses to advise the Committee on what the state of the terrorist threat is in the United States today, how the financing of terrorism is accomplished here, and I very much appreciate both of you being with us today.

David Aufhauser, let us begin with you. Let us see how much we can get in before we have to go. My hope would be that perhaps both of you could provide your primary testimony. We could then break for the votes and come back. I am sorry to interrupt the hearing in that way, but I think that would be the best way to proceed.

STATEMENT OF DAVID AUFHAUSER, GENERAL COUNSEL, DEPARTMENT OF THE TREASURY, WASHINGTON, D.C.

Mr. AUFHAUSER. Thank you, Mr. Chairman, and I thank you for the gracious introduction for me and for Larry.

First, I would like, with your permission, to submit for the record the written testimony that I have submitted, and just give you a brief overview, and then I certainly welcome questions after you hear from Larry.

When I joined the Department of Treasury 2.5 years ago, I was already well aware of the deficit of hope in the Islamic world, the most visible symbol of which is the failure to resolve the question of Palestine. I had traveled in the Middle East on behalf of the World Bank, and my assignments at that time were straightforward, but a forensic challenge: Try to figure out why rivers of

money intended to build dams, to irrigate land or to establish an effective stock market in the Gulf had failed in their mission with much money left unaccounted for.

When Paul O'Neill asked me to join him at the Treasury Department, he gave me a similar and related challenge: Help the President make every dollar of development aid count, not only because we are stewards of the taxpayers' money, but because effective aid is the most promising tonic for hate.

Despair is hate's crucible. And our ambition at that time, and still is, to try to eliminate it, not with any romantic notion of changing people's minds, but by changing their opportunities in life. No man, no man takes up a gun or a bomb and kills who sees a future for his own family.

Others, however, have sought to exploit despair and to teach people to kill. They have financed the venture by defiling charitable purpose, and they have found a convenient means to do so in the Middle East and particularly in theocracy of Saudi Arabia. I want to be clear, as both of you are clear. We are not at war with a faith. We are not at war with a sect. The war is with those who would seek to compromise faith, with those who counterfeit it, and with those who champion the death of innocents in the name of the faith.

And here, the austere and uncompromising, literal, salafist Wahhabi view of the teachings of Allah has been wrongly invoked by would-be false prophets, like Osama bin Laden, to legitimize terror and killing. Still, it is a very important factor to be taken into account when discussing terrorist financing. The principle of charity is central to Islam, and with unimaginable oil wealth has come a commensurate amount of charitable giving or zakat that has flowed into prominent Saudi-based NGOs.

Those NGOs have offices dispersed in the outposts of the world, populated by the Islamic diaspora, places where need is infinite and where hopelessness preys on a night's sleep.

There are, moreover, few financial or human resource controls on those frontiers, and little sophistication for dealing with the diversion of charitable money for violent purpose. It is a combustible compound when mixed with religious teachings, in thousands of madrassas that condemn pluralism, preach intolerance, and mark nonbelievers as an enemy. Fundamentalism simply is too easily morphed in such circumstances into a mission of hate and terror, and it does need to be dealt with.

Much of our dialogue with the Saudi Government on terrorist financing has focused on the misuse of these charitable and religious missions and the need to tighten the controls. The result has been a far-reaching charities initiative, at least the pledge of one, that bars all cross-border giving, absent Saudi Government oversight and vetting, the closing of 10 offices of the largest and most far-reaching Saudi NGO, Al Haramain, each office for which we demonstrated to be underwriters for terror in either the Balkans, East Africa, Indonesia and in Pakistan, the reconstitution at our suggestion and recommendation of Al Haramain's board, the arrest of a significant number of prominent fundraisers now known to us in Saudi Arabia, an ongoing dialogue on additional, specific NGO and

donor targets, and work towards establishing a framework for the sharing of more financial information on a near real-time basis.

This last development is critical, Mr. Chairman. Much of the evidence in the shadow war is suspect. It is the product of interrogation, rewards, betrayals and deceits, but a financial record does not lie. It has singular integrity on the war on terror, and it is enormously useful. It is useful in helping to identify, and locate, and capture bad guys, it is useful in mapping out a network of connections between anonymous bankers and suicide bombers.

It is useful in helping to evaluate the credibility and the immediacy of a threat, and it has been useful in trying to prevent a calamity by starving the enterprise of terror, and it is an enterprise. By way of example, the al Qaeda paid a tithe of $20 million a year to the Taliban for their safekeeping. But if you use the financial records, you might prevent the calamity, as long as you can starve the enterprise of terror of its fuel, and its fuel is money.

This brings us back, ironically, to why I came to Treasury 2.5 years ago. As I told you, I did not know whether my words or advocacy could change people's minds. I did, as I told you, believe and have confidence that a dollar well-deployed could enhance opportunity and therefore diminish antipathy to our values and our ways, but I now know, I now know after the mission given to me after 9/11, that preventing a dollar from being misapplied can be of equal service to the Nation, and perhaps is the surest singular weapon we have to make sure that the homeland is secure and to let our kids go to schools that teach tolerance and respect for people of all faiths.

Thank you.

[The prepared statement of Mr. Aufhauser appears as a submission for the record.]

Chairman KYL. Thank you very much, Mr. Aufhauser.

Mr. Mefford?

STATEMENT OF LARRY A. MEFFORD, ASSISTANT DIRECTOR, COUNTERTERRORISM DIVISION, FEDERAL BUREAU OF INVESTIGATION, WASHINGTON, D.C.

Mr. MEFFORD. Good afternoon, Senator Kyl, Senator Schumer. Thank you for inviting me today to testify regarding the state of the terrorism threat to the United States. The Subcommittee's work in this area is an important part of improving the security of our Nation.

The Federal Bureau of Investigation greatly appreciates your leadership and that of your colleagues and other committees dealing with the security of our country.

I would like to briefly discuss, for the Subcommittee today, the FBI's assessment of the current threats facing the country, with a focus on the radical Sunni extremist threat.

First, let me emphasize the commitment of the FBI to investigating and disrupting terrorist activity, both in this country and against U.S. interests overseas. There is no more important mission within the FBI today. We are dedicating tremendous resources to this effort, and we will continue to do so as long as the threat exists.

Establishing the full extent of al Qaeda's presence in the U.S. and preventing another attack is the FBI's top priority. Since September 11th of 2001, the FBI has investigated more than 4,000 terrorist threats to the U.S., and the number of active FBI investigations into potential terrorist activity has actually quadrupled.

Working with our partners and local and State law enforcement and within the U.S. intelligence community, we have also disrupted terrorist activities in over 35 instances inside the United States, since September 11th. These include both domestic and international terrorism matters and consist of a variety of preventive actions, including arrests, seizure of funds, and disruption of terrorist recruiting and training efforts, and even, in certain cases, the prevention of actual attacks.

No threat or investigative lead goes unanswered today. At FBI headquarters and our field offices around the country and through our offices overseas and U.S. embassies, we run every lead to ground until we find evidence of terrorist activity which we aggressive pursue or determine that the information is not substantiated.

While we have disrupted terrorist plots since 9/11, we remain constantly vigilant as a result of the ongoing nature of this threat. The greatest danger to our safety and security comes not from what we know and can prevent, but actually from what we do not know.

We know this, the al Qaeda terrorist network remains the most serious threat to U.S. interests both at home and overseas. That network includes groups committed to the international jihad movement, and it has demonstrated the ability to survive numerous and significant setbacks.

Since September 11th, we believe that al Qaeda has been involved in at least a dozen terrorist attacks around the world directed against the U.S. and our allies. This fact requires that we continue to work closely with our partners to fight al Qaeda and its allies, and all of its forms both here and overseas.

On March 1st of this year, counterterrorism forces in Pakistan captured al Qaeda operational commander Khalid Shaikh Mohammed, and financier Mustafa Ahmed al-Hawsawi. In early 2002, another high-ranking al Qaeda operational commander, Mohamed Atef, was killed in a U.S. bombing raid in Afghanistan. Many more suspected al Qaeda operatives have been arrested in the U.S. and abroad and continue to be captured on a weekly basis, either by U.S. agencies, military forces, or our allies.

Despite these strikes against the leadership of al Qaeda and their capabilities, that organization remains a very potent, highly capable, and extremely dangerous terrorist network. Again, the number one terrorist threat to the U.S. today in the FBI's estimation. It is adaptive and resilient and in my opinion it would be a grave mistake to underestimate its reach and potential abilities. The very recent attacks last month in Riyadh, Saudi Arabia and Casablanca, Morocco, which we believe were either sponsored or inspired by al Qaeda clearly demonstrate that network's continued ability to murder and injure innocent, unsuspecting victims.

While large-scale coordinated attacks remain an al Qaeda objective, disruptions to the network's command and logistics structures during the past 20 months increase the possibility that operatives

will attempt to carry out smaller scale random attacks, as evidenced, for example, by Richard Reid's failed attempt to detonate a shoe bomb in December of 2001 aboard that transatlantic flight. Such attacks, particularly against softer or lightly secured targets may be easier to execute today, less likely to require centralized control. We remain vigilant to the ability and willingness of individual terrorists acting on their own in the name of jihad to carry out random attacks of terror wherever and whenever they can.

We also know that jihadists tend to focus on returning to unfinished projects, such as the destruction of the World Trade Center and attacks on U.S. Navy vessels. Consequently, today we might expect al Qaeda to return to high-profile targets previously selected, such as high-profile Government buildings either in the U.S. or overseas. While we know that al Qaeda has focused on attacks that have economic impact, we believe that its goals still include the infliction of mass casualties.

We do not have information today that clearly identifies specific targets, and attacks could conceivably take many forms. Consequently, finding and rooting out al Qaeda members and their associates and sympathizers once they have entered the U.S. is our most serious intelligence and law enforcement challenge. This is particularly challenging given that the identity of U.S.-based al Qaeda sleeper cells are probably the closest held secrets in their networks.

In addition to focusing on identifying individuals directly involved in launching terrorist attacks, we are also very concerned about those individuals assisting al Qaeda, providing support activities such as assisting and fund-raising, recruiting, training, or other logistical responsibilities. This remains very important based on the critical nature of those types of responsibilities to the operation of terrorist networks. We also are concerned about al Qaeda's continued intention and efforts to recruit U.S. citizens to support their cause.

In conclusion, the U.S. faces a wide range of international terrorist groups and we assess al Qaeda to be the greatest threat today. Their potential attacks could be large-scale or more smaller and more isolated. Since our understanding of their underlying philosophy continues to develop and our understanding of their actions and preparations continue to evolve, our assessment of the threat continues to evolve also.

We remain, however, concerned that al Qaeda's intentions to launch another major attack inside the U.S. continues. That is why we remain focused on detecting and preventing terrorism, and we are focused on identifying the sleeper cells in the United States if they should exist. We will not stray from that purpose and intend to work closely with State and local law enforcement and other Federal agencies to continue to enhance our capabilities in this regard. We appreciate your guidance and support as we carry out this mission.

In conclusion, I would be happy to answer questions to the extent that I am able today.

[The prepared statement of Mr. Mefford appears as a submission for the record.]

Senator KYL. Thank you very much, gentlemen. We have about 10 minutes left in this vote. What I would like to do is take about 5 minutes between the two of us, submit some questions to both of you in writing and then excuse you, because there will be now a significant time lapse here before we to on to the next panel. It just would not be fair to keep you around. If you want to answer in one-word answers, that would be just fine, but do not feel constrained to.

Let me start with you, Mr. Aufhauser. Just very specific questions. Are the Saudis part of the general terrorist threat against the United States?

Mr. AUFHAUSER. People within Saudi Arabia are, yes.

Senator KYL. Is there still a significant al Qaeda terrorist threat here in the United States?

Mr. AUFHAUSER. Yes.

Senator KYL. In fact, Mr. Mefford, how would you characterize that overall threat?

Mr. MEFFORD. It is difficult for me to place an exact number based on the sensitive nature of our ongoing operations, but let me character it by saying—

Senator KYL. Just generally.

Mr. MEFFORD. —that we have ongoing operations directed against suspected al Qaeda members and their affiliates in about 40 States.

Senator KYL. With regard to the trail of money I should have asked you, Mr. Aufhauser, specifically about the trail of money and whether it leads in some cases to Saudi Arabia.

Mr. AUFHAUSER. In many cases it is the epicenter.

Senator KYL. Does that trail of money also show money going to al Qaeda?

Mr. AUFHAUSER. Yes.

Senator KYL. Is the money from Saudi Arabia a significant source of funding for terrorism generally?

Mr. AUFHAUSER. Yes. Principally al Qaeda but many other recipients as well.

Senator KYL. Have you, incidentally, had direct discussions with Saudi officials in regard to the investigations that have been conducted?

Mr. AUFHAUSER. At the highest levels in Riyadh, yes.

Senator KYL. I am going to ask both of you, especially Mr. Mefford, I am going to ask you if you have any recommendations for any changes in, modifications to, additions to the USA Patriot Act, or any of our other laws, in fact with regard to both of you. In your investigations and work you have undoubtedly worked with these laws. If you have any other suggestions or changes that you might want to this suggest to us. I am going to put that question to you both in writing and just ask you to respond, because we are in a position to at least try. Senator Schumer and I were successful in at least getting through the Senate a piece of legislation related to FISA, and we, I think, both stand ready to try to assist you as we can.

Senator Schumer, do you have anything else for this panel?

Senator SCHUMER. No, I will defer to you, Mr. Chairman, because we have votes. I want to thank the panel for their good work and we will keep pursuing these subjects. Thank you.

Senator KYL. Thank you. Again, I really apologize. You had to wait, and there is a lot more I would have loved to have asked you, but I think I will do that in writing. I would just express my sincere appreciation. I cannot thank both of you enough. I was going to comment on the fact, each time somebody from, particularly the Department of Justice testifies they always note the number of situations in which we have disrupted terrorist activity, including specific terrorist threats. I especially appreciate that testimony.

It is always important to let the American people know that even though they may not see it, there is a great deal of work going on behind the scenes that is disrupting these terrorists, saving lives, preventing violence. On behalf of the people I just want to say thank you to both of you, and all the folks that work with you.

This hearing now will be recessed for approximately 40 minutes, until we are finished with our work on the floor, and then we will come back for our second panel. Thank you.

[Recess.]

Senator KYL. This hearing of the Judiciary Subcommittee on Terrorism, Technology will resume. Again, let me apologize both to our witnesses and to those who have been patiently waiting in the audience for the hearing to resume. It is difficult when you schedule a hearing the last day before a recess and a lot of business is pending in the Senate, to have an uninterrupted hearing. I very much apologize for the inconvenience to any of you. I am hoping that other members will come but we are also in the markup of the full Judiciary Committee on the asbestos bill. I may be needed for a quorum there. So we will get going here, see what happens and see if we can do four things at once today.

But I am especially disappointed because our panel, I had really hoped that we would have more members here to directly hear the testimony, but I plan to ensure that the Committee members are all exposed very much to the testimony of the panelists here. Dr. Alex Alexiev and Stephen Schwartz are real experts in the subject of our hearing today. Let me tell you just a little bit about them both and then just get right to our testimony.

Dr. Alex Alexiev is a native of Bulgaria who completed his graduate studies at UCLA and worked for nearly two decades as a senior analyst in the National Security Division of the RAND Corporation. He has also served as a director at Radio Free Europe, a pro bono adviser to the first democratically elected prime minister of Bulgaria, and an international business consultant. Currently, he is a senior fellow at the Center for Security Policy in Washington, D.C. where he focuses on issues related to the war on terrorism. He is the author of books and numerous articles on national security.

Stephen Schwartz is the director of Islam and Democracy Program at the Foundation for the Defense of Democracies, a Washington-based think tank concerned with terrorism and security

issues.[1] Mr. Schwartz is a journalist, author, and recognized expert on the problem of Saudi Wahhabi extremism and its infiltration of the global Islamic community. He is the author of The Two Faces of Islam: The House of Saud From Tradition to Terror, published in 2002 by Doubleday.

Dr. Alexiev, would you like to begin the testimony?

STATEMENT OF ALEX ALEXIEV, SENIOR FELLOW, CENTER FOR SECURITY POLICY, WASHINGTON, D.C.

Mr. ALEXIEV. Thank you, Mr. Chairman. I appreciate the opportunity to appear here and talk about an issue that is of the utmost importance. I have submitted a written statement and instead of reading it, with your permission I would like to briefly summarize the issues in it.

The basic premise of my statement is that the phenomenon of violent Islamic extremism is the key problem we are facing today. Al Qaeda, murderous as it is, is but a symptom, in my view, of an underlying malignancy which is Islamic extremism and the entire edifice, if you will, of extremism that breeds terrorism. What I mean by that is even if we are successful to defeat al Qaeda totally, another al Qaeda will come by if we do not at the same time succeed in destroying the edifice of Islamic extremism.

This huge international infrastructure is sponsored ideologically and financially by Wahhabism, and that is to say, Saudi Arabia. I do not believe that we are likely to make much progress in the war on terrorism, lasting progress, until we eliminate this edifice of extremism.

Let me briefly talk about the ideology that drives Wahhabism. Wahhabism pretends to be Islam in its purest form. I submit to you, Mr. Chairman, that it is nothing of the kind. It is in fact an extremely reactionary, obscure sect whose teaching contradicts traditional Islamic doctrine. To that extent it is incorrect to refer to it as fundamentalist because it in fact transgresses against some of the fundamentals of Islamic teaching as given in the Koran. In fact Wahhabis teaching contradicts traditional tenets of the Koran to the point of falsifying them.

The give you just one example, Wahhabism teaches and has been doing so since the very beginning, since the big 18th century, that all Muslims that do not subscribe to Wahhabism are in fact apostates and heretics and violence against them is not only permissible but in fact obligatory. This continues to be the teaching that Wahhabis subscribe to to this day. As a result, Wahhabism is not only directed against infidels, non-Muslims, but is in fact directed against and threatens Muslims that do not subscribe to Wahhabism. That is a key point to understand.

As a result, this violent creed has become, in my view, the prototype ideology of all Islamic extremist and terrorist groups, and that includes those that violently oppose the House of Saud, such as bin Laden. In this respect it is very important for us to understand that Wahhabi activities are not a matter of religion, but in my view a matter of criminal sedition and ought to be treated as such.

[1] Stephen Schwartz's affiliation with the Foundation for the Defense of Democracies ended in August 2003.

It is just as important to understand, as I mentioned, that they threaten not only our liberal democratic order but they threaten other Muslims such as Sunnis, the Shi'as, the different Sufi orders, the Barelvis in South Asia, the Bahai, the Ahmadis, et cetera. These other Muslims in fact are potential allies in the struggle against this extremist phenomenon.

Now how could one explain the fact that such a hateful creed in fact has been able to take over much of the Islamic establishment worldwide and become its dominant idiom? The short answer, and there are also other things we can talk about—the short answer is money; lots of it. In the past 25 years or so, according to Saudi official information, Saudi Arabia has given over $70 billion of what they call development aid, which in fact they themselves confirm goes mostly for what they call Islamic activities.

Senator KYL. Over what period of time?

Mr. ALEXIEV. In the last 25 years roughly, from mid 1970's to the end of last year; 281 billion Saudi riyals according to their official statements. This is nearly $2.5 billion per year. This makes it the largest sustained ideological campaign in history, in my view. I served as what was called a Sovietology for nearly two decades and the best estimates that we had on Soviet external propaganda spending was $1 billion a year. So you are talking about an absolutely astounding amount of money being spent for the specific purpose of promoting, preaching Wahhabi hatred.

They have used this amount of money to take over mosques around the world, to establish Wahhabi control of Islamic institutions, subsidize extremist madrassas in South Asia and elsewhere, control Islamic publishing houses. They currently control probably four-fifths of all Islamic publishing houses. And spend money, a lot of it, on aggressive proselytizing, apart from direct support of terrorism.

What have they achieved for that money? I would submit to you that they have achieved quite a bit. To give you just one example, in Pakistan there are roughly 10,000 extremist madrassas that are run by Deobandi allies of the Wahhabis, and the Deobandis are very similar in their ideology to the Wahhabis. They currently teach, according to Pakistan sources, between one and 1.7 million children, essentially to hate. They do not get much schooling in any subject that is not related to Islamic activities.

It is important to know that of these at least 1 million children, 15 percent are foreigners. So it is not just Pakistan that is affected by the fact that tens of thousands, hundreds of thousands of kids are taught how to hate, and graduate from these madrassas without any useful education that could be used in the marketplace, but perfectly prepared for a career in jihad and extremist activities. 16,000 of them, for instance, are Arabs that are taught in these schools.

As a result, Pakistan is very close to being a dysfunctional country. Two of its provinces, the Northwest frontier province and the Beluchistan in fact have governments that are openly extremist and there is a process of Talibanization of these provinces that is extremely disturbing. It is, again, not just Pakistan. It is all over. We do not have time to discuss that here but let me just mention that in Iraq, in the Kurdish areas of Iraq there are now over 40

mosques that are starting to be active there and we are going to hear from them. This does not augur well for our efforts to build democracy in Iraq unless we undercut these activities.

Now the money that the Saudis are spending are transferred to extremist organizations through a network of charities, front organizations. Contrary to Saudi official claims, which unfortunately quite often are uncritically accepted by many, none of them are either private or charitable. They are in fact government-controlled, government-sponsored, government-funded organizations, the main ones being the World Muslim League, the World Assembly of Muslim Youth, the Al Haramain Foundation, and the International Islamic Relief Organizations. There are many, many others. There are a total of over 250 so-called charitable organizations in Saudi Arabia.

Most of the largest organizations, all four of the ones that I just mentioned, have been implicated in the support of terrorist activities by U.S. authorities. Let me be just mention here one additional factor that indicates that the government of Saudi Arabia knows very well what these organizations are doing is the fact that they passed a law way back in 1993 which prohibited any collection of donations, of zakat donations except under state supervision. So the idea that you very often hear from the Saudis themselves that somehow these are private non-government organization is, in my opinion, bogus.

There is, again, no indication at least to me that Riyadh is interested in stemming the flow of these monies to extremist organizations. In fact the opposite is still the case. The reason that they really cannot do that is because for them to come clean on the channels and the amount of money is simply to implicate themselves, to implicate a lot of Saudi officials and organizations in support of terrorism. While promising that they will do something about it, the reality of it is very different.

Let me give you just one quote here from last month, and that is from the official Saudi government channel, television channel. A Wahhabi cleric who gives a prayer on the state channel which deals with the so-called American tyrannical alliance and the situation of Iraq. He says, oh, God, destroy the aggressive tyrannical alliance. Oh, God, drown its soldiers in the seas and destroy them in the deserts. All Wahhabi clerics are employees of the Saudi state, and obviously the television channel also belongs to the Saudi state. So the idea that somehow they do not know what is going on is, again, in my view, a bogus one.

Let me just finish here by saying that the evidence of the Saudi Wahhabi sponsorship of extremist networks and activities is so overwhelming, in my view, that for us to continue to tolerate it guarantees that we are not going to be able to make meaningful and lasting progress in the war on terrorism for a long time to come.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Alexiev appears as a submission for the record.]

Senator KYL. Thank you, Mr. Alexiev. Stephen Schwartz.

STATEMENT OF STEPHEN SCHWARTZ, SENIOR FELLOW, FOUNDATION FOR THE DEFENSE OF DEMOCRACIES, WASHINGTON, D.C.[1]

Mr. SCHWARTZ. Thank you, Chairman Kyl. Thank you for your invitation to appear here today.

I come before this body to describe how adherents to Wahhabism, the most extreme, separatist, and violent form of Islam and the official sect in the Kingdom of Saudi Arabia have come to dominate Islam in the United States.

Islam is a fairly new participant at the big table of American religions. The Muslim community only became a significant element in our country's life in the 1980's. Most born Muslims, as opposed to those who "converted"—a term Muslims avoid, preferring the term new Muslims—most born Muslims have historically been immigrants from Pakistan and India who followed traditional, peaceful, mainstream Islam. With the growth of the Islamic community in America there was no Islamic establishment in the U.S., in contrast with Britain, France, and Germany, the main Western countries with significant Islamic minorities.

Historically, traditional scholars have been a buffer against extremism in Islam, and for various sociological and demographic reasons American Islam lacked a stratum of such clerics. The Wahhabi ideological structure in Saudi Arabia perceived this as an opportunity to fill a gap, to gain dominance over an Islamic community in the West with immense potential for political and social influence.

But the goals of this operation, which was largely successful, were multiple. First, to control a significant group of Muslim believers.

Second, to use the Muslim community in the U.S. to pressure Government and media in the formulation of policy and in perceptions about Islam. This has come to include liaison meetings, sensitivity sessions, and other public activities with high-level Administration officials, including the FBI director, since September 11th.

Third, to advance the overall Wahhabi agenda of jihad against the world, an extremist campaign to impose Wahhabism on the global Islamic community as well as to confront the other religions. This effort has included the establishment in the U.S. of a base for funding, recruitment, and strategic tactical support of terror operations in the U.S. and abroad.

Wahhabi Saudi policy has always been two-faced. That is, at the same time as the Wahhabis preach hostility and violence, first against non-Wahhabi Muslims, they maintain a policy of alliance with Western military powers, Britain, then the U.S. and France, to ensure their control over the Arabian Peninsula.

At the present time, Shi'a and other non-Wahhabi Muslim community leaders in this country estimate that 80 percent of American mosques are under Wahhabi control. This does not mean 80 percent of American Muslims support Wahhabism, although the main Wahhabi ideological agency in America, the so-called Council on American-Islamic Relations, or CAIR, has asserted that some 70

[1] Stephen Schwartz's affiliation with the Foundation for the Defense of Democracies ended in August 2003.

percent of American Muslims want, in effect, Wahhabi teaching in their mosques. This is a claim we consider unfounded.

Rather, Wahhabi control over mosques means control of property, buildings, appointment of imams, training of imams, content of preaching, including in the past, faxing of Friday sermons from Riyadh, Saudi Arabia, control of literature distributed in mosques and mosque bookstores, notices on bulletin boards, and organizational solicitation. Similar influence extends to prison and military chaplaincies, Islamic elementary and secondary schools or academies, college campus activity, endowment of academic chairs and programs in Middle East studies, and most notoriously, charities ostensibly helping Muslims abroad, many of which have been linked to or designated as sponsors of terrorism.

The main organizations that have carried out this campaign are the Islamic Society of North America, or ISNA, which originated in the Muslim Students Association of the U.S. and Canada, MSA, and CAIR. Support activities have been provided by the American Muslim Council, AMC, the American Muslim Alliance, AMA, and the Muslim American Society, MAS, the Graduate School of Islamic and Social Sciences, to which Senator Schumer referred as a certifying organization for chaplains, its sister body, the International institute of Islam Thought, and a number of related groups that I have called the Wahhabi lobby.

ISNA operates at least 324 mosques in the U.S. through the North American Islamic Trust, NAIT. These groups operate as an interlocking directorate. Both ISNA and CAIR maintain open and close relations with the Saudi government, a unique situation in that no other foreign government directly uses religion as a cover for its political and influence activities in the U.S.

For example, notwithstanding support by the American Jewish community for the state of Israel, the government of Israel does not intervene in synagogue life or the activities of rabbinical or related religious bodies in America.

According to SaudiEmbassy.net, the official web site of the Saudi government, CAIR received $250,000 from the Jedda-based Islamic Development Bank in 1999 for the purchase of land in Washington D.C. to construct a headquarters facility.

In another very disturbing case, the Islamic Development Bank also granted $295,000 to the Masjid Bilal Islamic Center in USA for the construction of the Bilal Islamic primary and secondary school in California in 1999. Asan Akbar, an American Muslim presently charged with the fatal attack on his fellow soldiers in Kuwait during the Iraq intervention was affiliated with this institution.

In addition, the previously mentioned official web site of the Saudi government reported a donation in 1995 of $4 million for the construction of a mosque complex in Los Angeles named for Ibn Taymiyyah, a historic Islamic figure considered the forerunner of Wahhabism. It should be noted that Ibn Taymiyyah is viewed as a marginal extremist ideological personality by many traditional Muslims.

The same web site reported the donation of $6 million, also in 1995, for a mosque in Cincinnati, Ohio. The web site stated in the year 2000, "in the United States the Kingdom has contributed to

the establishment of the Islamic Center in Washington, D.C., the Omer Bin Al-Khattab Mosque in western Los Angeles, the Los Angeles Islamic Center, the Fresno Mosque in California, the Islamic Center in Denver, Colorado, the Islamic Center in Harrison, New York City, and the Islamic Center in Northern Virginia."

How much money in total is involved in this effort? If we accept a low figure of control, that is NAIT ownership of 27 percent of 1,200 mosques stated by CAIR and cited by Mary Jacoby and Graham Brink in the St. Petersburg Times, we have 324 mosques. If we assume a relatively low average of expenditures, that is, $500,000 per mosque, we arrive at $162 million. But given that Saudi official sources show $6 million in Cincinnati and $4 million in Los Angeles, we should probably raise the average to at least $1 million per mosque, resulting in $324 million as a minimum.

Our view, the view of my program is that the number of mosques under Wahhabi control actually totals at least 600 out of the official total of 1,200. As noted, Shi'a community leaders endorsed the figure of 80 percent under Wahhabi control. But we also offer a number of 4,000 to 6,000 mosques overall, including small and diverse congregations of many kinds.

A radical critic of Wahhabism, a man who does not love the United States very much but has been very candid about the facts in this situation, stated some years ago that $25 million had been spent on Islamic centers in the U.S. by the Saudi authorities. This now clearly seems a low figure. Another anti-extremist figure estimated Saudi expenses in the U.S. over 30 years, and including schools and free books as well as mosques, near $1 billion.

It should also be noted that Wahhabi mosques in the U.S. work in close coordination with the Muslim World League, MWL, and the World Assembly of Muslim Youth, WAMY, Saudi state entities identified as participants in the funding of al Qaeda. Wahhabi ideological control within Saudi Arabia is based on the historic compact of intermarriage dating from the 18th century between the family of the sect's originator, Ibn Abd Al-Wahhab and the family of the founding ruler, Ibn Saud. To this day these families divide governance of the kingdom with the descendants of Ibn Abd Al-Wahhab responsible for religious life and the Saudi royal family running the state. The two families also continue to marry their descendants to one another.

The supreme religious leader of Saudi Arabia is a member of the family of Ibn Abd Al-Wahhab. The state appoints a minister of religious affairs who controls such bodies as MWL and WAMY, and upon leaving his ministerial post he becomes head of MWL.

The official Saudi Embassy web site reported exactly 1 year ago, on June 26, 2002: "a delegation of the Muslim World League that is on a world tour promoting goodwill arrived in New York yesterday and visited the Islamic Center there," that is, the main Wahhabi mosque there. The same web site later reported on July 8, 2002, "during a visit on Friday evening to the headquarters of the Council on American-Islamic Relations, CAIR, Secretary-General of the MWL, Dr. Abdullah bin Abdul Mosi al-Turki advocated coordination among Muslim organizations in the United States."

To digress, this would be as if an official of the former Soviet government had come to the United States and in a meeting with

the Communist Party had openly called for cooperation between leftist organizations in the United States.

To return to the quote, "expressing MWL's readiness to offer assistance in the promotion and coordination of Islamic works, he announced plans to set up a commission," presumably of the Saudi government, "for this purpose. The MWL delegation also visited the Islamic Center in Washington, D.C. and was briefed on its activities by its director, Dr. Abdullah bin Mohammed Fuaj."

In a related matter, on June 22nd, 2003, in a letter to the New York Post, James Zogby, president of the Arab-American Institute, a civic, nonreligious lobbying organization, stated that his attendance at a press conference of WAMY in Riyadh, Saudi Arabia had been organized by the U.S. Embassy in the Kingdom. If this is true, it is extremely alarming. The U.S. Embassy should not act as a support of WAMY, which as documented by my foundation and the Saudi Institute, a Saudi human rights monitoring arm, teaches that Shi'a Muslims, even unbelievably enough, the followers of Khomeini, are agents of the Jews. Calling Shi'a Muslims, including the Iranians and Khomeini, agents of the Jews, is comparable to Nazi claims that Jewish business owners were Communists, or the propaganda we heard in ex-Yugoslavia claiming that Tito was an agent of the Vatican.

When you hear these things in a country, the aim is to derange people, to separate them from reality and to prepare for massacres. We believe that issues involving the Saudi Shi'a minority in the kingdom have begun to alarm the rulers of the kingdom because they look north of their border and they see the possibility of a democratic Iraq in formation led by Shi'as. And they look northeast and they see the possibility of consolidation of a democratic, at least popular sovereignty in Iran, another Shi'a country. We are afraid, very afraid they are preparing some kind of serious repression, violent repression against Shi'as in Saudi Arabia.

There is clearly a problem of Wahhabi Saudi extremist influence in American Islam. The time is now to face the problem squarely and find ways to enable and support traditional, mainstream America Muslims in taking their community back from the extremists, while employing law enforcement to interdict the growth of Wahhabism and its financial support by the Saudis. If we fail to do this, Wahhabi extremism continues to endanger the whole world, Muslims and non-Muslims alike.

Thank you for your attention.

[The prepared statement of Mr. Schwartz appears as a submission for the record.]

Senator KYL. Thank you very much for that powerful statement, Stephen Schwartz. Let me ask you the first question. Exactly how would you characterize the influence of Wahhabi ideology in American Islam today? I do not know if you can quantify it or you can discuss the quality of it, but how influential is it?

Mr. SCHWARTZ. If I speak in an informal way and a somewhat impressionistic way, it is not an easy thing to quantify. But we have a situation where I accept the figure that has been put forward by the Shi'as leaders. The Shi'a leaders, their experience with this has been pretty bitter. They have seen their historic mosques taken over, they have seen their own people driven out of mosques.

They have seen a situation where they have essentially been excluded from groups like ISNA and so forth.

This is how it works today. The born Muslim who comes here essentially comes here to get away from this stuff. The born Muslim, by and large, comes here to enjoy the economic and social benefits of becoming an American. They come here from places where Islamic extremism has made their lives miserable and they come here hoping to get away from it, as I said.

They get here and what do they find? They find that Wahhabism, with Saudi money, dominates American Islam. To them this is a gigantic shock, a horrifying shock. A Jordanian Muslim once said to me, if somebody had told me in my village that I would go to America and go to the mosque and find the Wahhabis running it, I would have said, the FBI would never allow that.

So setting up this establishment, setting up an Islamic establishment, they have taken control of the community in the United States. This is a disincentive to the ordinary, normal Muslim, the moderate, traditional mainstream Muslim from acting to take their faith back. The guy who comes here from a Muslim country does not want to cause problems for his family back home. He does not want to stand up in the mosque and fight these guys. He does not want his kid to come home and say, the other kids in the Islamic academy say you are an agent of the Government spying on the Muslims. He does not want to have to lose business to a boycott by other Muslims. He does not want to have to deal with this nightmare, and they are not going to deal with the nightmare. They are not going to act and support the cause of democracy unless we help them do that.

The other point is that the Islamic establishment I have described has been extraordinarily successful in capturing the microphone, in dictating the discourse. A Bosnian Muslim I know said to me, we Bosnians are grateful to America. America saved us. But when I turn on my television, I do not see the imam of the Bosnian mosque in Chicago, who speaks perfect English and is an enemy of Wahhabism and wants to support America, on the television speaking for Islam. He says, I see these Wahhabis speaking for Islam. They are angry, and they are militant, and they are presenting it all as a matter of a vast conspiracy to throw them all in camps. They are basically talking as jihadists. He says to me, what are we going to do about this? I say, the only thing I can tell you is, some of us are trying to get your voices into our media.

My last point is this, many people say, and they say with some bitterness, why don't the mainstream Muslims speak out? As I've said, a lot of them are intimidated. But a lot of them have been ignored. If the media and the Government do not give them a hand, do not lift them up, do not enable them to speak out, they will not be able to speak out. They will not be heard.

Senator KYL. Mr. Alexiev, you said some things somewhat similar here. Can you tell us in the United States if there are particular regions in which the Wahhabis have been more successful in furthering their extremist agenda?

Mr. ALEXIEV. In the United States or worldwide?

Senator KYL. Yes, in the United States.

Mr. ALEXIEV. I think Steve is more of an expert on the Wahhabi penetration in the U.S., but I do not think there is any doubt that the Wahhabis control almost totally the Muslim establishment, or Muslim political establishment, if you will. Virtually all the organizations that pretend to speak for Islam in this country are essentially Wahhabi controlled. There are a few others. There is organizations of the Shi'as and of the Sufis, but the people that you see being entertained and allowed access to the White House, the people that are basically the interlocutors of the FBI, all of them virtually are Wahhabis. If you look closely at who these people are you will find an entire network of organizations who all essentially were created beginning in the 1960's as the offspring of the so-called Muslim Student Association. They all have interlocking directorships, they all have pretty much musical chairs of the people that run them. You look at their web sites, they all link each other. They are the phenomenon that Mr. Schwartz described here, the domination of American Islam by—

Senator KYL. If you were to try to identify, for example, a web site or a writing of Wahhabis in the United States, is that possible? Do they use a web site or writings?

Mr. ALEXIEV. Yes, they all have web sites. Actually, if you spend time looking at what they do and what they represent, it is fairly easy to identify them. For instance, the one thing that virtually all of them virtually almost incessantly repeat is dour which is a proselytism. They constantly talk about proselytizing. They constantly talk about what is allowed and what is not allowed. They talk about true Islam, correct Islam, which is a code word for Wahhabi Islam. They refer to, again as I mentioned, to each other's web sites in their links. They constantly refer to Saudi institutions, very often the embassy or the organizations like Al Haramain. They all offer free books and free literature, Wahhabi literature. The reason for that is because there is a gigantic printing complex in Medina that churns out hundreds of millions of copies of Wahhabi propaganda.

Let me ad here that a Koran is not a Koran. There is a thing called a Wahhabi Koran, because they make sure that in the interpretation their own line is pursued. So you now have that particular printing institution printing Korans in any number of language, including Hebrew interestingly enough, many in Russian. All of this literature is offered free of charge to anybody that wants it because it is propaganda.

So yes, it is possible to identify these web site fairly easy. Not for the uninitiated though, because you will never find a Wahhabi web site that will say, this is a Wahhabi web site. Wahhabism is a very pejorative word for the Wahhabis themselves because from the very beginning non-Wahhabis considered Wahhabis, again, an extremist sect. So the term is highly pejorative. The Wahhabis themselves never use it. They claim that they are the true Islam.

Senator KYL. Just for the record, if I could get you to give us some information about how you would identify web sites that you are talking about here, that would be very helpful, if you could.

Mr. ALEXIEV. Yes. I would just repeat some of the thing that I said. Again, they will not say that this is a Wahhabi web sites.

Senator KYL. I understand. That is why I was just asking you, perhaps for the record we could get some more information there.

Mr. ALEXIEV. Yes, I can certainly provide a written explanation of that point.

Senator KYL. That would be very helpful. I am trying, because I have now been handed a note that says that we have three more roll call votes beginning very soon so I want to try to get through as much of this as I can.

Mr. SCHWARTZ. You asked about regional areas and I will call your attention to—I do not have the data here but I am sure you recall the incident in the city of Tucson in your own State, a city that I once lived in, where there was the murder of a dissident Islamic cleric and the individual involved in the murder ended up being identified as an al Qaeda agent. So even in beautiful, peaceful Arizona, which we think of as pretty much a heartland State where there are not going to be serious problems involving something so exotic, has actually seen bloodshed.

As far as the web sites go, I hate to correct my esteemed colleague but there now is one called the WahhabiMyth.com. They say that they are Wahhabis and they defend Wahhabis, by and large—also, not to be such an egomaniac, against me and my book. This has sprung into existence in the last two or three weeks. That is quite an interesting web site because Sufism is a tradition of spiritual and peaceful Islam, their argument is that the Sufis are the extremists and that Osama bin Laden is a Sufi. It is really quite an extraordinary site. But they do not have any hesitation to use the would Wahhabi.

Generally the word Wahhabi is, however, avoided in the same way that Communists did not like to be called Communists in America. Wahhabis prefer to be called Salafis. It is just the same as when Communists called themselves Socialists or progressives. People knew what it was. Muslims know what it is. They do not want to hear it.

I will tell you a very interesting web site, www.Dar-Us-Salam.com. That is one of the purest Wahhabi web sites and it has on it an extraordinary—it is a lot of stuff in English—about women. If you read those, you will really understand what is wrong with Saudi Arabia. Go in and read, for example, why women are not allowed to drive. That is an extraordinarily educational experience.

There were also many web sites associated with bin Laden and his movement which were shut down and then popped up as mirror sites elsewhere. Some of them are still operating in Britain and Spain and other countries where they have not been shut down.

One other I will mention is called www.as-sahwah.com. That is a fantastically useful bin Laden-ite, jihadist web site that will tell you things like where to buy 400 videotapes of Russian soldiers being beheaded, why there is no reason to have fear on the battlefield because as soon as you die as a jihad martyr you will immediately get to paradise.

After September 11th, as I say, many of these sites were shut down but they popped up in other places.

Senator KYL. Connect this radical form of Islam in the United States with the terrorists or terrorism potential here in the United States.

Mr. SCHWARTZ. I do not consider myself an alarmist. I feel that Wahhabism is in decline and in many respects has been defeated. My view is that the Muslims of the world got up on September 12th, 2001 and the vast majority of them said, we did not ask for this, we did not sign up for this, we do not support this, we did not want us.

At the same time, it is an unarguable fact that the preaching and teaching of extremist ideology creates the propensity to act on the ideology. To the extent that Wahhabism with its extremely hostile, murderous views of other Muslims, Jews, Christians, Hindus, Sikhs, Buddhists, you name it, to the extent that that continues to be preached and taught, it creates, it encourages in people a propensity to act out extremist, terroristic behavior. It also creates a milieu, an environment for the collection of funds, the organization of conspiracies, and the recruitment of foot soldiers for terrorist activities.

Let me make a slight abstraction here. I am not a behaviorist. I do not believe that saying things to people that are ugly, evil and terroristic turns them into terrorists. But I do believe that creating the environment is a problem, and if you simply allow 80 percent of American mosques to be a playground for people to spout these ideas—in my book I describe, for example, how one of the bin Laden-ite web sites described how to raise money for extremists who are interfering with the situation in Chechnya. It basically said, go and put the notice up on the mosque bulletin board. There was no suggestion that you should make sure that the imam in the mosque will not object to it.

The point is, if you create this environment, and above all if you create this environment in the prison system, or if you create this environment in the military where people are being trained in arms and military techniques and so on and so forth, you are not creating a behaviorist scenario where just preaching alone creates terrorists, but you are allowing the maintenance of an environment from which terrorists will emerge.

Senator KYL. Mr. Alexiev, I want to ask you the same question, please.

Mr. ALEXIEV. Let me just add here, and it is an important aspect of the connection between the Wahhabi takeover of Muslim institutions and terrorism. Obviously, when they take over a mosque or an institution, they use it for indoctrination purposes, and they bring their imams, and it becomes essentially a school of that kind of extremism. But it does something else which has direct relevance to terrorism, and that is this mosque, if run by Wahhabis, they then collect—there is a cut, the 2.5 percent that every Muslim must donate to his mosque. So if the mosque is controlled by the Wahhabis, they also control the money.

So we have the situation where the U.S. Government tells us that they have frozen $117 million of terrorist accounts since 9/11 and yet a single mosque in Brooklyn, we are told by U.S. authorities, has donated $20 million to Osama bin Laden. I can giver you other examples of mosques in Britain that directly subsidize terror-

ists groups, jihadi groups in Pakistan. So that is a direct connection between the takeover of mosques and institutions and terrorism.

Senator KYL. Mr. Alexiev, do you have any evidence of control by people within the Saudi government of the funding of charities that at least some of the money which is supplied to terrorist organizations?

Mr. ALEXIEV. Yes, indeed. As I think I mentioned, all of these charities are in fact government controlled, and in fact many of them run by high-level officials. There are all kinds direct evidence from Saudi sources that I can supply for the record that in fact the Saudi government controls these institutions.

Let me just, if I can find it quickly, let me just mention this for instance. This is from an official Saudi publication which talks about the valuable service that Saudi Arabia has provided to the Muslim community. It says here directly, Saudi Arabia has either founded or supports the activities of a large number of specialized organizations dedicated to serving Muslims, such as the Muslim World League, the King Faisal Foundation, the World Assembly of Muslim Youth, the International Islamic Relief Organization. These are the very institutions that I mentioned earlier and all of them, again, have been implicated in terrorist activities by U.S. authorities.

So the evidence that they are in fact controlled by the Saudi government is very ample and supplied directly by the Saudi government itself.

Senator KYL. Are either of you familiar—I was watching television a couple days ago and there was a reference to a directive or a rule, and I do not remember the number but it was something like Directive No. 98 or something, with the Saudi banks required to collect a certain amount of money for charity? I did not know anything about it. I have not been able to find out anything about it. Do either of you have any idea what I am talking about, the news story?

Mr. SCHWARTZ. I do not know what the latest one of them is, but the collection—Dr. Alexiev has very correctly pointed out, the giving of charity is one of the principles that are traditionally referred to as the five pillars of Islam. The donation of funds, the collection of funds is a gigantic industry in Saudi Arabia, so to speak. There are many, many continuing decrees and orders of this kind. I can research it and came back.

Senator KYL. I would appreciate that for the record. So at least it is plausible that there would be a rule that banks would need to collect a certain amount of money?

Mr. SCHWARTZ. Banks have been collecting this money all along. Banks have been collecting this money since banks were established in Saudi Arabia.

Senator KYL. But the question is, is it a directive of the state itself?

Mr. SCHWARTZ. Absolutely. The banking system in Saudi Arabia is not an entrepreneurial, commercial banking system such as we have in the United States. This is another aspect of Islamic culture, because there are certain rules in Islam for financial transactions. For example, there is a ban on interest. There is a whole

body of doctrine, law, and practice called Islamic banking. The Saudi state, which considers itself the guardian of Islam in the kingdom regulates the banks and controls numerous banks.

I was going to make a brief comment that might interest you. Dr. Alexiev talked about the Al Haramain Foundation. Haramain means the holy places and refers to Mecca and Medina. Haramain is a very pernicious international Saudi government-controlled charity that operated in Bosnia. They were among the first organizations that was shut down in Bosnia and in Somalia by a coordination action of our Treasury Department and the Saudi government.

Recently we were told by the Saudi government that Haramain would no longer operate outside Saudi Arabia, but I have just learned today that Haramain still has a fund for its activities in the United States. It is still collecting money right now for activities in the United States.

So this is one of the problems with this whole thing. The Saudi authorities tell us all these great things they are doing, but then when you talk to Saudi subjects as I do every day, you find that people who are living in the kingdom realize that what is being told to the United States and what is actually happening in the kingdom are two very different universes.

Mr. ALEXIEV. If I may add something to that. There is really plenty of evidence that government officials, in fact very high-ranking Saudi princes on a regular basis organize donation meetings, donation events, if you will, for these very organizations that we discussed here. They usually start by donating $1 million or $2 million or $3 million themselves, and then the invited businessmen and others do the same. That is actually very often covered quite extensively in the Saudi press. I have myself at least six or seven of these instances which document that the Saudi government is behind organizing these collection drives for organizations that have been implicated in terrorist activities by our Government.

Senator KYL. I want to return to something that was said before. I may have missed it but I just want to reiterate the point. There were different figures of the numbers or percentages of mosques in the United States that have had funding from Wahhabis. I think the highest number you gave was 80 percent of the mosques being funded by Wahhabis. Did I hear that number correctly?

Mr. SCHWARTZ. Yes. I am very anxious to say, this is not something where we can give a scientific figure. There is not a situation where there is a database that we consult. This is essentially a pragmatic figure derived from Shi'a and other Muslims, their description of the situation as they see it.

Senator KYL. It would be important to note, however, that in attributing a percentage, whether it is 80 or 60 or whatever the number is, that that is not to say that it is representative of the percentage of Muslims in the United States who adhere to Wahhabi.

Mr. SCHWARTZ. Absolutely not. Absolutely not. If 80 percent of Muslims in the United States were Wahhabis, we would have a much worse situation than we have. If it were not for the money, as Dr. Alexiev and others, as we have all said, if it were not for the money this strain of Islam would be like the Christian Identity churches. It would be a crank, fringe, disreputable, and ignored

phenomenon except for when it broke out from time to time. I must say, thanks to Allah, we cannot say that 80 percent of American Muslims are Wahhabis under any circumstances. The majority of American Muslims, I would say, 60, 70 percent of American Muslims follow the traditional Sunna, or they are Shi'as, or they are Sufis who want to work and live and prosper in this country as loyal American citizens. They hate terrorism. If they are born Muslims from Muslim countries, they came here to escape this.

Senator KYL. I appreciate that important qualification. I want to make one other as well because it is a point that Chuck Schumer made and perhaps is a way for me to end this hearing.

Over the years, the government of Saudi Arabia has on occasion been very helpful to the United States of America. There have been certain occasions in which the friendship between the two governments has redounded to the benefit of the United States in various ways. But today, I agree with Senator Schumer that just as other countries around the world have to come to grips with certain aspects of their society which contribute to the war on terrorism, including the United States of America—we have had to tighten up some of our security procedures. We have had to pass laws. We have had to change some of our institutions like the FBI and others to reorient themselves to dealt with this threat in a way much more directly than they ever used to do. A lot of changes have had to be made in countries around the world.

But among the countries that have not yet confronted the threat from terrorism that in many respects they themselves are fostering, Saudi Arabia is that country. For our friends in Saudi Arabia, I think a strong message from the United States has to be, you have got to help us in this war on terrorism or you yourselves are going to be consumed by it, just as it is going to consume others in the world.

So I want to conclude this. If any of you want to comment, fine, but I am going to have to go vote here in just a second.

I think from our witnesses this afternoon we have established some basic and important facts about the threat of terrorism in the United States, the specific threat from al Qaeda, the connection of al Qaeda in Wahhabi, and unfortunately, the financing connection between Wahhabi and Saudi Arabia. It simply leads to the conclusion that we have got to accelerate our efforts to deal with that threat around the world as it impacts the United States directly.

So this Committee will be conducting a series of hearings that will further expand on some of specific elements of this, the tracing of the money, the mosques, the clerics in the services, other ways in which the United States needs to be concerned about the way that terrorism is taking hold or could take hold in this country. I only hope, Mr. Schwartz, that you are right, that perhaps we have seen the high water mark and as a result of a lot of exposure the problem is beginning to be solved.

I thank both of you for testifying today, and with that we will simply announce that the record will be kept open until July 9th and the hearing is concluded.

[Whereupon, at 5:22 p.m., the Subcommittee was adjourned.]

[Questions and answers and submissions for the record follow.]

QUESTIONS AND ANSWERS

"TERRORISM: GROWING WAHHABI INFLUENCE IN THE UNITED STATES"

QUESTIONS FOR THE RECORD

Questions from Senator Kennedy

Q. *Have you ever investigated an organization or its accounts solely based on the organization's religious beliefs? Why or why not?*

Answer

Treasury has not investigated an organization or its accounts solely based upon the organization's religious beliefs. We agree that the targeting of people because of their nationality or their religion is a violation of our fundamental values. To be clear, our efforts are not aimed at the religious beliefs of any organization. Our efforts are aimed at those who counterfeit faith to champion the death of innocents.

Q. *For the scholars who continue to pursue information about Saudi financing, can you clarify what sort of information the Treasury Department finds most useful in distinguishing accounts with a direct link to terrorism and those that may simply fund religious, social, or other activities?*

Answer

The exploitation and corruption of charitable organizations is one of the most vexing and cynical practices of al-Qa'ida and other terrorist organizations. Information received from sources with knowledge and forensic financial investigative techniques are the most important tools that Treasury and our colleagues in other agencies use to determine whether a particular branch or account is being used to divert funds for terror. Ultimately, systemic changes that will tighten charity regulation worldwide – like those we have advocated in the FATF – are important to the long-term solution to this problem.

Questions from Senator Kyl

Q. *During the hearing, you started to describe a global "terrorist enterprise." The subcommittee ran out of time before you could elaborate. Please describe in detail what you meant by "terrorist enterprise," and identify its state sponsors.*

Answer

Based upon information available to us, we have concluded that al-Qa'ida and other terrorist organizations of concern operate globally, have an effective organizational structure, have strategic vision and tactical focus, and have developed sophisticated ways to fund the organization and its operations. Since

the fall of the Taliban in Afghanistan, al-Qa'ida no longer has a state sponsor. Hezbollah, another group of concern, is sponsored by Iran and Lebanon.

Q. *You also stated that Saudi Arabia is in many ways the "epicenter" of terrorist financing. Again, the subcommittee did not have the time to explore the issue during the hearing. Please elaborate on this, using as many specific, unclassified examples as possible.*

Answer

Based upon information available to us, we have concluded that the Arabian Peninsula is a central source for terrorist funding for al-Qa'ida. This does not mean that the Saudi Arabian Government is complicit in funding, or that government is not trying to prevent it. The information we have focuses upon potential individual donors, and merchants and NGOs that permit funds to flow through their accounts.

Q. *The subject of the hearing was "Terrorism: Growing Wahhabi Influence in the United States." Why did your written testimony not use the work "Wahhabi"?*

Answer

I chose to address the issue directly in my opening statement, a copy of which is attached.

Q. *What has the Treasury Department learned about foreign state funding of groups in this country that support, or are ambivalent about, certain foreign terrorist organizations? Have you looked into this in the past in a systemic and regular manner?*

Answer

Treasury is not aware of foreign state funding of groups located in the United States that support terrorist organizations. One of our first priorities after September 11th was to ensure no groups in the United States were funding terrorist organizations. We have taken action against three U.S. based charities: The Holy Land Foundation, The Global Relief Foundation and Benevolence International Foundation. We are also supporting the work of the Federal Bureau of Investigation, which is investigating other domestic groups and the foreign source of their funding.

Q. *Do Treasury and Customs have the needed resources to continue analysis and operations like Green Quest and related investigations? If not, what types and quantities of resources should Congress, in your view, provide?*

Answer

As you know, the United States Customs Service and the Green Quest task force were transferred from Treasury in January of this year. The Homeland Security Act significantly removed Treasury's law enforcement function. Treasury is actively considering what resources it will need to continue to play its central role in investigating financial crime, including terrorist financing. We expect to develop a plan in the short term and will present that plan to the Congress when appropriate.

Q. *Do current federal laws allow you to be effective in tracking, freezing or otherwise disrupting terrorist financing? If not, what specific changes need to be made to the law?*

Answer

Section 311 of the USA PATRIOT Act gives the Secretary of the Treasury the power to designate a country, jurisdiction, institution, or account a "primary money laundering concern." However, the current version of the law does not contain an "evidentiary privilege" for classified information similar to that found in the International Emergency Economic Powers Act. Accordingly, for practical purposes, information that is classified may not be used in a Section 311 action, unless the owner of the information is willing to declassify the information. We have petitioned the Congress for this change, and understand it is currently a part of the Intelligence Authorization Bill that is currently in conference. This change will make this tool extremely valuable in acting against countries, jurisdictions and institutions that are willing to turn a blind eye to the funding of terror.

Q. *If laws, resources or interagency cooperation, in the United States and abroad, were in some way improved do you think you would have pursued, located, interdicted or froze more money, commodities, persons and other resources than you have to date?*

Answer

Yes.

Q. *In general, is it fair to say Saudi Arabia, and other gulf states, could be more cooperative in the above efforts? How much more cooperative? What increased cooperation have you sought or do you anticipate seeking?*

Answer

I have been informed that the Saudi Arabian Government has been extremely cooperative on many aspects of counter-terrorism, particularly since the May bombings in Riyadh. We believe they have a way to go on issues relating to terrorist financing. However, the newly formed U.S.-Saudi joint task force on terrorist financing will provide an effective and promising vehicle for cooperation. In addition, some of the structural changes implemented by the Saudi Arabian Government are far reaching and ambitious in the effort to stem terrorist funding sources in Saudi Arabia.

Questions from Senator Schumer

Q. *It is my understanding that in selecting Muslim clerics to minister to soldiers, the Defense Department relies solely on two organizations – the Graduate School for Islamic Social Sciences and the American Muslim Armed Forces and Veterans Association, a subgroup of the American Muslim Foundation – to approve candidates as qualified religious leaders. I am concerned that these groups appear to have connections to terrorism. Of particular worry is the fact that both the GSISS and the AMF are under federal investigation for their possible role in helping to funnel $20 million to terrorists.*

Given this investigation, should this arrangement with the Defense Department should continue? What can you tell us about the sources of financing for GSISS, the AMF, and other non-governmental organizations that are part of the SAAR network? What specific additional steps can the Administration and Congress take to stop the financing of terrorism by non-governmental organizations that reside here in the United States?

Answer

We respectfully refer you to the Department of Homeland Security's Bureau of Immigration and Customs Enforcement for the details of the investigation of the GSISS, the AMF, and other NGOs that are part of the SAAR network.

Of course, if investigation provides the United States with reason to believe that these or any other groups are financing terror, we believe that not only should the United States cease doing business with the groups, but the groups should designated and, if the evidence is sufficient, prosecuted.

The best steps the Administration can take to address the financing of terror from groups in the United States is to continue doing what we have done since September 11th. Aggressively investigate and act against such groups wherever they are found. The Congress can keep the tools that permit easier information gathering and sharing in terrorism investigations in place.

Q. *Experts indicate that groups like GSISS and AMF are not only funded generously by Saudi Arabia, but also help send religious leaders to Saudi Arabia to receive training in Wahhabi Islam. Have you been working with the Saudi Arabian government in your investigations to crack down on terrorist financing and extremism taught in madrassahs? How would you characterize the level of cooperation from the Saudis? What accomplishments have been achieved? What more could be done?*

Answer

As I mentioned in my oral statement, much of our dialogue to date has focused on the misuse of charitable and religious missions and the need to tighten controls. The Saudis have advised they are implementing a far reaching initiative on charities. That is a positive systemic step. The Saudis have jointly designated with the United States two foreign branches of a Saudi-based NGO as well as a significant financial facilitator for al-Qa'ida. The Saudis have also moved to close several foreign branches of al-Haramain (a significant Saudi NGO) after the United States provided them with information about the foreign branches implicating them in the financing of terror. Finally, as you may have read in the press, the Saudis are engaged with us in a joint investigative unit focused solely on terrorist financing issues. It will be incumbent on both the United States and Saudi Arabia to share information at levels never done before and make this initiative work.

Q. *As you know, the U.S. Department of the Treasury has led several high profile and successful investigations into terrorist financing. Recently, however, the Department of Homeland Security and the Department of Justice agreed to give the FBI sole authority to undertake terrorist financing investigations. Why was that agreement made? How will it affect potential breakthroughs that Treasury and Customs were in the process of making? What will change now that the FBI is in charge? Does Treasury and Customs still play a role in these investigations? If so, please describe the number of agents and analysts that are presently working with the FBI. Also, please state if there were changes to the numbers and types of your personnel assigned to terrorist finance investigations once the FBI took over as the lead agency.*

Answer

We respectfully refer you to the Departments of Homeland Security and Justice with respect to the details of the memorandum of understanding reached

on terrorist financing investigations. That agreement was between those two agencies, and Treasury did not play a role, nor was it a party to that agreement. We do note, however, that the FBI has had the "lead" on terrorism investigations since the 1990s.

We respectfully refer you to the Department of Homeland Security's Bureau of Immigration and Customs Enforcement regarding the impact this agreement will have on investigations that were on-going at the time of the signing of the agreement.

Treasury has had an outstanding relationship with the FBI and its Terrorist Financing Operations Sections. I have been involved in this effort since shortly after September 11th and you could not ask for better interagency "partners." Also, it is my belief that the FBI is doing exemplary work in terrorist financing investigations.

As you know, the Homeland Security Act transferred a significant amount of Treasury's law enforcement function. Treasury is actively considering what resources it will need to continue to play its important role in investigating financial crime, including terrorist financing. We expect to develop a plan in the short term and will present that plan to the Congress when appropriate.

WITNESS RESPONSES

By Stephen Schwartz

Author, *The Two Faces of Islam* (Doubleday, 2003)

Subcommittee on Terrorism, Technology and Homeland Security
"Terrorism: Growing Wahhabi Influence in the U.S."
June 27, 2003

Replies to Senator Edward M. Kennedy, D-Mass:

Let me begin my replies to Sen. Kennedy's questions by noting my rejection of his attempt to reformulate my remarks to imply opinions I do not hold and statements I did not make.

I indeed believe that all adherents of the Wahhabi sect of Islam profess a violent, separatist, exclusionist, and totalitarian belief and therefore represent a danger to American Muslims, to the security of the U.S., and to the future of religious civility in the world. I have no idea to what Sen, Kennedy refers with his obscure reference to "others who believe in an extreme form of Islam."

I have reserved my comments to the Wahhabi sect, which is the state religion of Saudi Arabia. I wrote a book, *The Two Faces of Islam*, analyzing the relationship of this sect to other tendencies in Islam, some of which have been described as extreme by Westerners. My book was based almost entirely on Islamic sources and was written with an understanding of how such Western terms as "moderate," "extreme," "radical," and "fundamentalist" may be applied in an Islamic context so as to retain some real meaning.

I have never said or implied, either publicly or privately, that the authorities should "track down all Wahhabis." I have said and emphatically repeat that the U.S. authorities must investigate the funding and control of mosques, Islamic academies, prison and military chaplaincies, and public organizations, established on the territory of the U.S., that enjoy financial support from or ideological coordination by a foreign government, that of the kingdom of Saudi Arabia, and its official, extremist religious structure, which is the Wahhabi sect.

In my view, "searching for terrorists and their finances" is the same as investigating the matters described in the preceding paragraph. Distinctions between the two are merely technical.

I specifically and energetically reject the description of any investigation of Saudi-Wahhabi activities in the U.S. as "profiling." I do not believe in or advocate "profiling." Sen. Kennedy restates my comments, asserting that I spoke of "using U.S. law enforcement to stop the growth of the Wahhabi sect." My actual wording was, "employing law enforcement to interdict the growth of Wahhabism and its financial support by the Saudis."

By referring to the use of law enforcement, I meant the following, which I have stated in public on numerous occasions:

- Monitoring terrorist incitement, recruitment, protection, and collection of funds in Saudi/Wahhabi-controlled mosques.
- Reviewing the employment of Saudi/Wahhabi-controlled chaplains in the U.S. military and the federal and state penal systems.
- Monitoring the abuse of state educational accreditation by academies that teach and incite violence in line with Wahhabi doctrine.
- Investigating the ownership and funding of mosques and academies by foreign governments.
- Investigating the abuse of diplomatic status by the Kingdom of Saudi Arabia for the dissemination of Wahhabi hate literature and similar activities.

I see no Constitutional protection for terrorism under the guise of religion, for the establishment of Wahhabism as the official form of Islam in the U.S. military services or the federal and state penal systems (indeed, I view this as a violation of the Constitution), for the teaching and incitement of violence in state-accredited schools, or for the control and manipulation of religion on American soil by a foreign state.

Let me add three further points:

- Adherents of the Aryan Nations, Christian Identity, Creativity and other neo-Nazi conspiracies that have attempted to masquerade as religion

have not been granted the protection of the Constitution on that argument.

- Terrorism by Christian extremists against abortion clinics, and by Jewish extremists against various targets, does not enjoy the protection of the Constitution on the basis of religion.
- During the second world war, Shinto shrines owned by the Japanese empire were shut and padlocked by the federal government. With the end of Soviet rule, the Saudi regime is the only foreign state allowed ownership or ideological control of religious institutions in the U.S. Notwithstanding the official status of the Orthodox Christian churches in their various homelands, the Greek, Russian, etc. governments do not control churches in the U.S. in the way the Saudi regime and the Wahhabi bureaucracy control mosques in the U.S. The Scandinavian Evangelical Lutheran churches, as state bodies, may support religious outreach for their citizens abroad (for example, the Norwegian Seamen's Church in San Francisco, Calif.) but they do not exercise political control over the Lutheran churches in the U.S. Britain does not control the Anglican Church in the U.S. Israel does not control any Jewish congregations in such a manner; nor does the Vatican exert any such direct control over American Catholic parishes. There should be no exemption under Constitutional pretexts for Saudi/Wahhabi activities in this area. American Islam must and will live by the same rules as other religions in America.

Sen. Kennedy declares, "government can protect us from security threats, but it cannot protect us from the influence of a different, even extreme ideology, just because some of its believers are dangerous." In reality, successive American governments investigated and monitored the activities of the Communist Party, USA, which, like the Wahhabis, sought constitutional protection as a "different, even extreme ideology," only "some" of whose "believers" were "dangerous." Communist ideology induced individuals to participate in espionage, treason, and terrorism. Wahhabi ideology induces individuals to participate in treason and terrorism. A government that does not protect

its citizens from ideologies promoting treason and terrorism is not a government. Such a political order would have forgone its first duty to its citizens, which is the essence of security. To enjoy freedom, we must defeat the enemies of freedom. And we can have security without freedom, but we cannot have freedom without security.

The duty of the U.S. government to combat Wahhabism is especially an expression of its duty to protect the religious freedom of non-Wahhabi Muslims, rather than conflicting with religious freedom. There can and should be no freedom in the U.S. for Wahhabi terrorists to intimidate, suppress, censor, silence, ostracize, and otherwise threaten non-Wahhabi Muslims.

Sen. Kennedy asks for a description of "the most effective way for our law enforcement agencies to distinguish between violent extremists who are a threat to our security and those who simply hold religious beliefs that differ from most Americans? (sic)" A law enforcement agency, or its employees, that cannot distinguish between criminal activity and the mere holding of extremist beliefs is incompetent. Equally incompetent is a law enforcement agency that would deny that extremist beliefs create a propensity for violent and other criminal behavior. Rhetorical attempts to downgrade Wahhabism to a "religious belief that differs from [those of] most Americans" are as inappropriate as would be similar efforts to downgrade Nazism to "a political view that differs from [those of] most Americans."

Sen. Kennedy describes as "shameful" to suggest that Saudi-funded and -controlled mosques, Islamic centers, and schools "preach terrorism or pose a threat to America's national security." Sen. Kennedy states, "if they did, we would have thousands or hundreds of thousands more terrorists attacking our country." In my view, thousands of terrorists *are* engaged in a struggle against interreligious civility in the West and throughout the world, including some in the U.S. That they have yet to commit further gross terrorist atrocities on our soil is obvious. But I do not propose to wait until they do.

Finally, Sen. Kennedy asks how "our intelligence officials" can "distinguish between institutions that support unpopular religious beliefs and those that pose a serious danger to the United States and other countries." They can do this by consulting with, listening to, and studying the writings of anti-extremist Muslims. President Bush is to be

commended for his outreach of various such figures. I can provide a roster of other such Muslims, which would include Sheikh Fahdel al-Sahlani, an Iraqi-American Shi'a leader residing in New York who met with President Bush; King Mohammed VI of Morocco and King Abdullah of Jordan; the Grand Mufti of Kosovo, H.E. Rexhep Boja and the Reis-Ul-Ulema of Bosnia-Hercegovina, H.E. Mustafa efendija Ceric; a Turkish author named Fethullah Gulen, President Megawati Sukarnoputri of Indonesia, and the heads of various Sufi orders. I can also recommend other American Muslims for such a list, on a confidential basis. However, I would recommend no Saudi-Wahhabis for such a group.

Replies to Senator Charles Schumer, D-NY:

I will reply to Sen. Schumer's queries according to the numbering of their submission.

1. Wahhabism differs from the other forms of Islam above all by its suppression of the spirit and institutions of Islamic pluralism. Throughout the history of traditional Islam, Muslims were free to organize themselves in competing sects, legal schools, and spiritual orders, and were encouraged to produce and respect differing opinions. The Prophet Muhammad compared the illumination of Muslim scholars to the heavenly bodies in the night sky. He said, "The simile of the scholars of knowledge on the earth is the stars in the sky by which one is guided in the darkness of the land and the sea." He further declared, "the differences among my Companions are a mercy to you." This benign view of controversy and debate is essential to traditional Islam. Wahhabism seeks, through violence, financial corruption, and political influence, to completely suppress such differences, to impose ideological conformity and uniformity, and to bring the entire global community of Muslim believers under Saudi control.

2. U.S. Army Sgt. Asan Akbar, an American Muslim, is accused of a bloody terrorist attack in the early hours of March 23, 2003, in the command area of Camp Pennsylvania, the rear base in Kuwait for the 1st Brigade of the 101st Airborne Division. Akbar had attended the student mosque at the University of California, Davis, controlled by the

Muslim Students' Association (MSA). He also listed (under his original name, Mark Fidel Kools), an address at the Bilal Islamic Center in Los Angeles, a Saudi-funded institution. The Bilal Islamic Center and its Saudi-trained imams are known for venomous preaching of Wahhabism.

The MSA was created in 1963 in close coordination with the Muslim World League, founded in 1962 by the Saudi government. As noted by Khomeini biographer Hamid Algar, "particularly in the 1960s and 1970s, no criticism of Saudi Arabia would be tolerated at the annual conventions of the MSA." Within its ranks, Algar noted, "official approval of Wahhabism remained strong," and in 1980 it produced an English translation of Ibn Abd al-Wahhab's own writings, the foundation of Wahhabi doctrine.

The Islamic Society of North America (ISNA) enforces Wahhabi theological writ in the country's 1,200 officially recognized mosques (out of a possible total of 4,000, including unrecognized and small congregations).

ISNA former president Muzammil Siddiqi, described by many of his critics as a power-hungry fanatic, appeared in the ceremony at the National Cathedral in Washington directly following September 11th. However, on October 28, 2000, at an anti-Israel "Jerusalem Day" rally in Washington, Siddiqi asserted, "America has to learn... if you remain on the side of injustice, the wrath of God will come. Please, all Americans. Do you remember that?... If you continue doing injustice, and tolerate injustice, the wrath of God will come." Many of the main mosques in the U.S. were recently built with Saudi money and saddled with a requirement that they follow Wahhabi imams and Wahhabi dictates. Testimony to this effect comes (among many others) from Kaukab Siddique, the radical editor of *New Trend*, an Islamic periodical of anti-American views yet also opposed to Wahhabi domination of American Islam, who charged: "ISNA controls most mosques in America and thus also controls: 1. Who will speak at EVERY [Friday prayer]. 2. Which literature will be distributed there... *New Trend* tried right from 1977 to warn the people about this danger of monopoly created by funds coming in from Saudi Arabia... the Ikhwan mafia, a group of six... were bringing in funds from Saudi Arabia and the Gulf states. The movement for reform was quashed by the mafia (who are the revered 'elders' of ISNA) who went from city to city."

I have discussed the relationship of ISNA to the North American Islamic Trust (NAIT) in my testimony. I have no comments at this time on the American Muslim Foundation.

3. It is my understanding that A.A. Batterjee remains unmolested as a public figure in Saudi Arabia, although he has been named as a major funder of terrorism through Benevolence International Foundation and similar entities. He is not alone in this regard. To my knowledge none of the Saudi subjects prominent in the financing of terrorism has been arrested.

4. The U.S. must coordinate with the anti-extremist Islamic leadership around the world in compelling the Kingdom of Saudi Arabia to sever its state structure from the financing of international Wahhabi expansionism. This means that Wahhabism would become no more than one among a great number of Islamic sects, legal schools, and spiritual orders that would be encouraged to function in Mecca and Medina. (At present, the Wahhabis have an absolute monopoly on religious works in Mecca and Medina, so this would involve a change.) It also means that the Saudi government would no longer finance the international dissemination of Wahhabi doctrine through *medresas*. Educational reform in Saudi Arabia can be accomplished by encouraging Saudi subjects and the Saudi regime to accept and accelerate a transition to a constitutional, parliamentary, Islamic society that might most resemble Malaysia, based on pluralism and guaranteed personal rights and dignities. Both of these outcomes are inseparable from an undiluted demand by the U.S. government for full disclosure, full light, and open inquiry into official Saudi support for al-Qaida and Wahhabi terrorism in general, beginning with a full and transparent accounting of Saudi participation in the atrocities of September 11th – no matter how high in Saudi society such an inquiry must go.

Replies to Senator Jon Kyl, R-Ariz:

I will similarly reply to Sen. Kyl's queries according to the numbering of their submission.

1. To inventory all the liaison meetings, "sensitivity" sessions and other instances in which federal authorities have provided access to "Wahhabi lobby" representatives, beginning with the appearance of Islamic Society of North America (ISNA) ex-president Muzammil Siddiqi in the ceremony at the National Cathedral in Washington directly following September 11th, would take a major research effort. I would say, in summary, that the majority of American Muslims have the impression that the "Wahhabi lobby" has gained an unchallengeable position of influence. Such access to official institutions translates into a powerful argument for control over the activities of American Muslims in their own mosques and schools. Since the "Wahhabi lobby" apparently has attained recognition as the legitimate representatives of American Muslims, criticism of them, independence from them, or initiatives taken separately from them may easily be attacked as disruptive, subversive of community unity, and disloyal to community interests. For numerous sociological reasons, Muslims in America feel profound drives toward group conformity. Establishment of the "Wahhabi lobby" as the guardians of Islamic interests with the authorities reinforces such tendencies.

2. It was clear with the first steps taken in the 1980s to establish a base in the U.S., by Hamas front groups such as the Holy Land Foundation (HLF), that these entities intended to follow the model established in the past by the Soviet-controlled Communist Party, which used American Constitutional protections to shelter them while they pursued subversive activities. In addition, they imitated the Irish radical nationalist movements which have, for a century and a half, used the U.S. as a financial base and staging area for attacks on British institutions.

HLF was the nerve center of the Hamas front in the U.S., headquartered in Texas, with branch offices in Paterson, N.J., Bridgeview, Ill., and San Diego. Established in 1989, HLF took off when it received a $200,000 cash infusion from Musa Abu Marzook, the external director of Hamas, who lived in the United States until he was deported in 1997. Marzook, brother-in-law of Ghassan Elashi, chairman of HLF, financed six

terrorist attacks in Israel from his home in Falls Church, Va. In 1995, the U.S. authorities asked for the arrest and deportation of Marzook to Israel, where he had been indicted for involvement in terror attacks carried out while he resided in the U.S., and in which 47 people were killed. Although Israel then dropped its demand, because of "security concerns," the U.S. deported Marzook to Jordan. His chief of military affairs was another U.S. resident, Muhammad Salah, of Bridgeview, Ill. Ordinary Americans would have been shocked and outraged to learn that Hamas was running its terror campaign from a sanctuary in the U.S.

Federal authorities had been watching the foundation since 1996, and concerned American Muslims had denounced its activities on numerous occasions. On September 5, 2001, less than a week before the World Trade Center atrocities, federal anti-terrorism agents raided InfoCom Corporation, the company that ran the HLF website. The InfoCom connection is crucial to understanding relations between the various components of the "Wahhabi lobby." According to defectors from Hamas, the HLF web server was also used by ISNA, the Muslim Students' Association, the Islamic Association for Palestine (IAP), the Council on American-Islamic Relations (CAIR), and other terrorist apologists on our soil. All of these groups shared a single administrative and technical contact for the maintenance of the server. They had been erected as political shells around the Hamas hydra-head represented by HLF.

This enterprise resembles the front activities long maintained by the Communist party: separate groups, none of them directly identified with Hamas, each crafted to appeal to a particular constituency. Their methods and rhetoric are devious and deceptive. Further, they recognize no diversity within Islam; for them there is one Islam and they are it, and their goal is to make sure that any examination of Islamic issues, from the White House down, begins and ends with them. In the immediate aftermath of September 11th, they had extraordinary success in achieving this goal.

Even after the horrors repeatedly unleashed in Israel in the aftermath of September 11th, few Americans fully recognized what HLF represented. In addition to defending suicide bombers, the foundation paid annuities to the children of Palestinian "martyrs." It also supported the Wahhabi clerics whose *fatwas* declared that, since all children are, by Islamic legal definition, innocent, Jewish children slain at the hands of

the bombers are guaranteed entry into Paradise. These *fatwas* advance the same claim for other innocents, Muslim, Jewish, or Christian, accidentally killed in the September 11th attacks: these too are "involuntary martyrs" headed for paradise. This hideous doctrine rationalizing the murder of children is a pure expression of the Wahhabi totalitarianism emanating from Saudi Arabia.

HLF embraced the identity of an Islamic charity; this religious cover has given the group and its satellites a fund-raising appeal far exceeding that of any earlier Arab advocacy group. During the Afghan campaign President George W. Bush ordered the closing of HLF.

3. Some of the most damning evidence of Saudi charitable institutions being used to advance terrorism was found early in 2002, in the offices of the Saudi High Commission for Relief to Bosnia-Hercegovina. The documents seized by the Sarajevo authorities provided a fascinating window on the scope and actions of the Saudi-backed Wahhabi "jihad" in the Balkans during the previous decade. Further raids netted documentation crucial to the U.S. prosecution of Bin Laden agents functioning on American soil – specifically, in the Benevolence International Foundation based in Chicago, Ill.

After the Dayton agreement was signed in 1995, agents of the Saudi kingdom and other Gulf states had flooded the Bosnian Muslim zone. While the scruffy *mujahidin* found the streets of Sarajevo inhospitable – filled with loud music, women dressed in the latest European fashion (all black, as it happened), and Western troops and police – the Saudi High Commission had come, with considerable assurance, to take over local Islam. Rape victims and other refugees from Serb massacres, the handicapped, the widows and orphans of soldiers as well as of ordinary citizens, demolished mosques and schools – all provided pretexts for the Wahhabi extremist infiltration of the "Pearl of the Balkans," as Bosnia-Hercegovina is known. The needy and destitute would be fed and housed – and pushed to adopt Wahhabism. Mosques and schools would be "rebuilt" – according to the strictures of Wahhabism, with Wahhabi imams, prayers, and other baggage imposed on local believers.

On July 13, 2001, the Saudi High Commission for Relief to Bosnia-Hercegovina disclosed its income and expenditures over the previous nine years. Since the Bosnian

war had begun in 1992, the commission had collected $600 million – that is, only three times as much as the 2001 Saudi annual donation for the protection and maintenance of Islamic structures in Jerusalem. Although the Saudis preened over this effort, claiming it as uniquely grand and successful in the Islamic global community or *ummah*, the suffering of Bosnian Muslims was clearly low on the Saudi list of priorities. In the same nine-year period, about 110,000 tons of relief supplies, or less than two shiploads in a modern container vessel, were sent to the wartorn Balkan nation. Two million food baskets were provided – about one basket per person throughout the length of the relief operation. However, $33.79 million was spent on the "restoration" of 160 mosques, along with "cultural centers, Islamic institutes, orphanages, and housing."

But Wahhabism attracted few Bosnian recruits. Instead, Balkan Muslims rebelled against Wahhabi attempts to impose puritanical strictures on their pluralist religious culture.

Thanks to the inexhaustible resources of Saudi Arabia and the Gulf states, Wahhabis also appeared all over Kosovo once fighting ended there. On August 9, 1999, the Saudi Joint Relief Committee for Kosovo (SJRCK) announced a 20-day training course for 50 imams and muftis in the Arabic language and the Wahhabi version of *Sharia* law. A few days later the SJRCK moved its headquarters from Albania to Prishtina, the Kosovo capital. On August 22, the relief committee stated that in addition to extensive health facilities, and repatriation of 50,000 refugees from Albania to Kosovo, it was also busy distributing copies of *Qur'an* and "books on Islam." The prospective Wahhabization of Kosovar Islam had begun in earnest.

According to a September 9 SJRCK news release, out of four million Saudi riyals spent in Kosovo, nearly half went to sponsor 388 religious "propagators" (i.e., missionaries) with the intent of converting Kosovars to Wahhabism. Another six hundred thousand riyals went for the reconstruction of thirty-seven mosques, and two hundred thousand riyals was spent on two religious schools. The amount of money involved was fairly modest (four million riyals is a little more than a million U.S. dollars), except when one considers that the Saudis had only been on the scene for a little over two months. It was characteristic that a greater proportion of Saudi aid was spent on

fundamentalist "propagators" and on mosque building than on broader humanitarian needs.

In one of the more remarkable developments in Kosovo, Islamic fundamentalists came under fire from the Kosovo Liberation Army's Kosovapress news agency. Kosovapress declared: "For more than a century civilized countries have separated religion from the state. [However], we now see attempts not only in Kosovo but everywhere Albanians live to introduce religion into public schools. . . .Supplemental courses for children have been set up by foreign Islamic organizations who hide behind assistance programs. Some radio stations. . .now offer nightly broadcasts in Arabic, which nobody understands and which lead many to ask, are we in an Arab country? It is time for Albanian mosques to be separated from Arab connections and for Islam to be developed on the basis of Albanian culture and customs." The Grand Mufti of Kosovo, H.E. Rexhep Boja, expressed himself similarly, stating boldly that Albanian Muslims had followed their faith for more than five hundred years and did not need anybody to teach them how to be Muslims or how to decorate their mosques.

At the end of March 2000, a group of Saudi "aid workers" was rousted by UN police from a building in Prishtina and accused of surveilling foreign vehicles, presumably in preparation for a terrorist attack. A representative of the Saudis, one Al Hadi, complained that the telephone in the building where they resided had been tapped. The real story behind this was never reported: a KLA commander had discovered the "aid workers" spying on American diplomats and was preparing to kill the Saudis. The U.S. diplomats intervened to save them.

Kosovar Albanian resentment of Arab meddling was also sharply expressed when an Emirates diplomat promised that fifty beautiful, new mosques would be built around Kosovo, to be paid for out of the diplomat's own pocket. Naim Maloku, a former KLA commander, brusquely rejected this proposal, stating that Kosovo needed employment opportunities more than mosques.

In mid-2002, however, the Saudis seemed to have had enough of dealing with the Kosovar Muslims. "The Muslims here behave like Christians," Faris Haddaj Hadi, running the Saudi Joint Relief Committee, told the *Los Angeles Times* irritably. "They have accepted living like in Europe. I think in 10 years it will be worse... We will not

stay." This constituted an admission that in Kosovo, the Wahhabi-Saudi "*jihad*" had failed.

4. I have no knowledge of liaisons between U.S. law enforcement officials and Shi'a and Sufi Muslim representatives, and cannot characterize the decisions of law enforcement officials in this area.

5. I have no knowledge of the state of awareness or practices of law enforcement officials about the internal situation of the American Islamic communities, and have no comments to offer on any meetings or other liaison between such officials and any Muslim community figures.

6. An essential element of the compact or alliance between the U.S. and the Saudi state, beginning at the end of the second world war, has been a clear "hands off" policy by the U.S. toward Saudi internal and ideological matters. The main oil corporations, represented in the Arabian-American Oil Company (Aramco) and its successors, along with their friends in American public life, have conducted a long and shameless effort to prettify the extremist and terrorist origins of the monarchy. Hypocrisy about the backward and corrupt nature of the Wahhabi-Saudi regime was not limited to Arabia itself. The economic historian J. B. Kelly wrote that Aramco "constituted itself the interpreter of Saudi Arabia – its people, its history, its culture, and above all its ruling house – to the United States at large, and because there were no other sources of information about that country open to the American public, ARAMCO could put across its version of recent Arabian history and politics with almost insolent ease... Naturally, little prominence was accorded in ARAMCO's publicity to the fanatical nature of Wahhabism, or to its dark and bloody past."

As to the attempt to disguise the nature of Wahhabism in the Islamic global community, as I indicated in testimony, Wahhabism is like Communism; its partisans know it is hated and feared. So, as the Soviet Communists called themselves "socialists" and "progressives," the Wahhabis call themselves "Salafis," a term intended to mean "restorers of pure Islam."

7. Saudi agents and Saudi-educated Wahhabi imams take over mosques and schools according to a typical pattern, if the mosque or school does not begin with full Saudi funding and control. In such cases, no takeover is necessary. Where Saudi agents and Wahhabi imams take over existing institutions, they do so by the typical, obvious means: they preach that they are purer and better Muslims; they use money to buy off local leaders and potential opponents; they pack governing committees and similar bodies with their supporters; they organize special classes or social groups within the mosque; and in some cases they drive out opponents.

8. The question is answered in the previous paragraph. These are not mysterious processes; they are identical to those pursued in the past by, e.g. Communists or gangsters in taking over American labor unions.

9. The same answer.

10. The same answer, with the additional observation that intimidation is almost always involved at some level in such activities. Members of an existing, traditional Muslim community may be intimidated directly, by threats of violence if they speak out; by isolation and ostracism of themselves or their relatives, including children, and by direct and indirect threats to relatives in their countries of origin, when they are immigrants.

11. The same answer. I have no knowledge of central direction of such activities, aside from the obvious fact that they are supported by Saudi institutions.

12. The accuracy of my thesis explains the scarcity of Sunni leaders openly critical of Saudi state-sponsored operations in the U.S. The campaign, and particularly the efforts at intimidation and imposition of conformity, have been successful. But there is no lack of Shi'a Muslim community leaders willing to express such criticism. Unfortunately, they are marginalized in American media and political life.

13. Shi'a community leaders have conducted a consistent campaign against Saudi influence in many mosques. To provide an inventory of incidents would require extensive further research. I cannot offer advice to those attempting to research the concealment of terrorist funding by the commingling of legitimate charitable financing with terror financing. I am not an accountant, do not have specialized knowledge of this area, and would defer such questions to the Treasury Department. I do believe that once a donation leaves the hands of the donor, the intent with which the donation was made becomes somewhat irrelevant. An individual may believe a donation is going for food and blankets in Chechnya, but if it is actually going to support Saudi-backed terror in Chechnya, the intent of the donor has little weight.

14. The "Wahhabi lobby" is open in its support for the Saudi state and the Wahhabi dispensation. Such Arab advocacy groups as the Arab American Institute and the American Arab Anti-Discrimination Committee, which are secular or non-Muslim in origin, as well as various pro-Palestinian groups which are leftist and nonreligious, have adopted positions in defense of the Saudi state and Wahhabism. However, these issues are controversial in the secular and Palestinian milieux, and have begun to have a divisive effect.

15. The Saudi state and the supporters of Wahhabi ideology act along lines identical to those pursued by the Soviet state and the international Communist network, with some exceptions that must be noted. The Soviet state clandestinely financed fascist groups in Europe and the U.S., which were publicly anti-Soviet. The Saudis and Wahhabis do not finance, e.g., Shi'a or other traditional Islamic groups with a public stance opposed to the Saudis. There may be some connection between the Saudis and Wahhabis and isolationist "antiwar" groups that are otherwise anti-Muslim. But while the Russian state and its Communist imitators, such as Cuba, always practiced the manipulation of fake opposition groups (see, e.g., the infamous "Trust") for purposes of provocation, sabotage, diversion, and subversion against its opponents, the Saudi state and the Wahhabis have no such history, unless one counts al-Qaida, which in my view is not really opposed to the Saudi order. The Saudi state does finance various commercial, academic, and related

efforts in the West, to advance its specific interests in those areas, often without openly declaring the origin or aim of such support. But the core of the "Wahhabi lobby" is the problem, not peripheral enterprises.

16. The leading members of the "Wahhabi lobby" are well-known:

- the Islamic Society of North America (ISNA), current president Muhammad Nur Abdullah;
- the Muslim Students' Association (MSA), current president Altaif Husain;
- the Council on American-Islamic Relations (CAIR), current president Omar Ahmad;
- and the Islamic Circle of North America (ICNA), current president Zulfiqar Ali Shah.

Other groups such as the American Muslim Council (AMC) and the Muslim Public Affairs Council (MPAC) act as "grab bags" or "halfway houses" within which Wahhabi agents work. However, MPAC has officially denounced Wahhabism in a vocabulary unknown to ISNA or CAIR.

Smaller organizations such as the American Muslim Alliance (AMA) and one of two entities with the title Muslim American Society (MAS), current president Suhail al-Ganouchi, are subsidiary players in the "Wahhabi lobby."

The Council on American-Islamic Relations (CAIR) is dedicated to pressuring media to accept its definition of Islamic issues and sensitivity thereto. When President Bush stood up in the Washington mosque in the days after September 11th, CAIR's national director, Nihad Awad, an inexhaustible agitator for Hamas, stood beside him.

17. I would refer financing questions to the Treasury Department investigators.

18. I would refer queries about criminal cases to the Justice Department.

19. I would refer to chapter 8 in my book *The Two Faces of Islam*, titled "Religious Colonialism."

20. I do not propose to advise the FBI on law enforcement techniques. Any educated citizen should be able to distinguish, on a common sense basis, between terrorist activity and simple adherence to an extremist ideology, and between views that are "unpopular" and those that are extremist. A law enforcement agency, or its employees, that cannot distinguish between criminal activity and the mere holding of extremist beliefs is incompetent. Equally incompetent is a law enforcement agency that would deny that extremist beliefs create a propensity for violent and other criminal behavior. It is absolutely false to even suggest that "all the members" of American Islamic communities or all people of Islamic faith or background are potential terrorists, and I would not dignify such a question with a reply.

21. CAIR, desiring but unable to challenge my research and criticism of its activities, has accused me of various falsehoods, while also making and recycling outlandish allegations against me. CAIR's adherence to Wahhabism is demonstrated by four simple facts: a) its receipt of Saudi money and other backing; b) its defense of Hamas, a Wahhabi terror group; c) its campaign against Sufi critics of Wahhabism, and d) its general exclusion of Shi'as and other non-Wahhabi Muslims from its work. Otherwise I am unconcerned with CAIR and its blandishments.

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QUESTIONS FROM SENATOR KENNEDY TO ALEX ALEXIEV

1. Do you think all Wahhabis and others who believe in an extreme form of Islam are a danger to the United States?

   Answer – Senator, I do not believe and have never said that all Wahhabis are a danger to the United States. There are between 15 and 20 million people practicing the Wahhabi creed in the world and the vast majority of them present no threat to the United States or anybody else. There are, however, Wahhabi institutions, groups and individuals in Saudi Arabia and elsewhere that preach Jihad and support and finance terrorist activities against Americans and others. For instance, the four largest charitable foundations (World Muslim League, the World Assembly of Muslim Youth, the International Islamic Relief Organization and the Al Haramain Foundation) controlled by the Saudi government have all been implicated in aiding and abetting terrorist activities by the United States government. Such groups and individuals do present a clear danger to U.S. security.

2. Do you think we would be most effective fighting terrorism by tracking down all Wahhabis or searching for terrorists and their finances based on this kind of profiling?

   Answer – Neither my testimony to this hearing nor my other writings on this subject have ever suggested "fighting terrorism by tracking down all Wahhabis" or "searching for terrorists and their finances based on this kind of profiling." However, for the United States government not to try to identify individuals and groups that incite violence and aid and abet terrorism in order to avoid being falsely accused of "profiling" by these same groups and their apologists would be a dereliction of its constitutional duty to guarantee the security of the American people from enemies foreign and domestic. If identifying terrorists as such is profiling then I'm strongly in favor of it, as are the vast majority of the American people.

3. How can you reconcile the Constitutional right to religious freedom with your belief that the US has a duty to oppose all Wahhabi influence?

   Answer – I do not believe and have never stated that the U.S. "has a duty to oppose all Wahhabi influence" as your question wrongly states. The right to religious freedom is a fundamental constitutional right and should never be infringed upon under any circumstances. However, I strongly believe, Senator, that preaching Jihad against Americans, justifying the murder of innocent civilians and issuing fatwas urging suicide attacks against American soldiers, as top Wahhabi clerics have done time and again, is not a matter of religion but a matter of criminal sedition. There is no constitutional right to criminal sedition.

4. What is the most effective way for our law enforcement agencies to distinguish between violent extremists who are a threat to our security and those who simply hold religious beliefs that differ from most Americans?

Answer – Religious views however different and extreme from those of most Americans cannot and should not be of interest to law enforcement agencies. It is only when individuals holding such views cross the line into criminal activities, such as planning and carrying out terrorist activities or financing and aiding and abetting terrorist conspiracies that they become legitimate targets for criminal investigation.

5. How can our intelligence officials distinguish between institutions that support unpopular religious beliefs and those that pose a serious danger to the United States or other countries?

   Answer – I think I have already answered this question above, but let me give you a concrete example to illustrate my views. It is a matter of religion and thus protected speech for a Muslim imam, for example, to claim that Islam is the best religion and that those who do not subscribe to it are ignorant and infidels, but it is criminal sedition to go beyond that and preach that the infidels should be killed.

QUESTIONS FROM SENATOR KYL TO ALEX ALEXIEV

1. Which Saudi state institutions or subsidiary entities are the primary coordinators of Wahhabi operations abroad? Please describe each entity in detail, and give your assessment of how it functions abroad, including in the United States. Please also assess the level of state control or direction over each entity.

   Answer: Wahhabi propaganda abroad is carried out by a sophisticated network consisting of state and Islamic quasi-NGO organizations and charities set up specifically for this purpose. The total number of these organizations and charities exceeds some 250 and taken together they represent the backbone of the vast infrastructure that breeds and nourishes radical Islam worldwide. The five key organizations include the Saudi Ministry of Islamic Affairs, Endowment, Call and Guidance and four major international Saudi fronts (the World Muslim League, the Al Haramain Foundation, the World Assembly of Muslim Youth and the International Islamic Relief Organization). All of them were founded for the dual purpose of propagating Wahhabism and advancing Saudi state interest in the Muslim community worldwide and all of them are tightly controlled by Saudi functionaries and a few carefully chosen allies. Thus, even though they often parade as NGOs at the United Nations and similar forums, there is nothing non-governmental about them.

   The Muslim World League's constituent council at its founding in 1962, for instance, was headed by the then chief mufti of Saudi Arabia Muhammad ibn Ibrahim Al-Shaykh, a direct descendant of Abd al-Wahhab, while the head of its secretariat is always a Saudi functionary according to WML's statutes.[1] Its top officer to this day is usually a top Wahhabi luminary or a former Saudi chief mufti. The current president of WML, Abdullah Ibn Abdul Mohsen Al Turki is a former Saudi Minister of Islamic Affairs and a prominent Wahhabi scholar.[2]

   The International Islamic Relief Foundation was officially founded by the World Muslim League and "endorsed" by the government of Saudi Arabia which appoints its executives, while the Al Haramain Foundation is directly subordinated to the Ministry of Islamic Affairs with the minister also acting as the chairman of an administrative board that supervises all of the foundation activities.[3] All of these organizations are also dependent on the Saudi government not only for direct state subsidies, but also for the collection of private donations and zakat funds. The usual venue is a fundraising event organized by one of the influential Saudi princes to which private donors are invited and asked to contribute. More often than not such fundraisers involve all four major foundations and result in large collections.

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[1] Hamid Algar, *Wahhabism, A Critical Essay* (Islamic Publications International: New York, 2002), 49.
[2] FNS Daybook, Federal News Service, Muslim World League News Conference Event, National Press Club, July 8, 2002.
[3] See Appendix A "Profiles of Saudi Charities"

See Appendix A, Center for Security Policy Report: "Profiles of Saudi Charities"

2. In order to get a better idea of how these Saudi institutions operate, do you see any historical parallels? Would it be accurate to compare the Saudi institutions to the old Soviet Communist Party's network of international front organizations and local communist parties?

   Answer: The Saudi/Wahhabi propaganda networks do indeed closely resemble Soviet propaganda organizations and methods of the past and it would not be surprising if they were used as a model to some extent. There are, for example, close parallels in the modus operandi of the Saudi networks and Soviet control of the world communist movement in the 1920s and 1930s through the Commintern and the peace movement in more recent decades.

3. How does the Saudi Ministry of Religious Affairs operate abroad? In your view, is the Saudi Ministry of Religious Affairs a purely religious institution, or does it have a distinct international political action function? Are such distinctions as easily made in Saudi Arabia as in the United States or other democracies? Would it be accurate to characterize Saudi Ministry of Religious Affairs operations abroad as modalities of political influence and political warfare?

   Answer: The Ministry of Islamic Affairs, Endowment, Call and Guidance is tasked primarily with enforcing the rigid requirements of Wahhabi Islam domestically in Saudi Arabia, but it does have an important foreign function which is not as well understood. First, the ministry serves in an all important supervisory capacity to the international fronts and various charities and has the unquestionable institutional clout of a Saudi government entity. It also has the theological cachet of the Abd al-Wahhab clan, members of which are often appointed to leading positions in the ministry. The current minister Sheikh Saleh ibn Abdul Aziz Al El-Sheikh is reportedly a direct al-Wahhab descendent.[4] Its clout is further indicated by the fact that the ministry is sometimes represented as a separate department in key Saudi embassies abroad, such as the one in Washington D.C.

   More importantly, the ministry plays a direct role in steering Saudi control of sponsored Islamic institutions and directing Wahhabi da'wah (proselytism) activities abroad. (See *Appendix B,* Center for Security Policy Report: "Saudi Efforts to Spread Wahhabism.") A recent visit by the Islamic Affairs minister to Islamic centers financed by the Saudis in Great Britain, for example, has revealed that the ministry tightly controls the curriculum and research projects of these institutions and provides them with hundreds of Wahhabi imams, callers (Islamic proselytizers) and Islamic teachers along with appropriate Wahhabi literature and "educational sessions" for the staff of the centers.

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[4] "King Fahd Issues 8 Royal Decrees Including the Newly Formed Saudi Council of Ministers," Ain-al-Yaqeen, June 18, 1999. and Abu-Nasr, Donna. "Saudis say they don't grow terrorists." Associated Press Online, International News. 23 February 2002.

4. Is Saudi Arabia the only state sponsor of Wahhabi operations abroad? If not, please specify other state sponsors and rank them each.

   Answer: Qatar is the only other state that has Wahhabism as a state religion though it is generally a more moderate form. Some institutions and individuals in that state do play a role in spreading Wahhabism on a smaller scale. One such individual is Yusuf Al-Qaradawi, the dean of Islamic studies at the University of Qatar, who recently issued a fatwa justifying suicide attacks against American troops in Iraq.[5] There are also Wahhabi centers and charities operating internationally from the territory of the United Arab Emirates. They are often sponsored and financed by Saudi Arabia and should be considered an integral part of the Saudi effort.

5. Please comment on the criminal aspect of Saudi-sponsored Wahhabism.

   Answer: To the extent that Wahhabi activities are limited to proselytism of their creed, however extreme, they do not appear to be of a criminal nature. However, there is overwhelming evidence that very often the activities of Wahhabi organizations cross the threshold into criminal sedition, incitement to murder and conspiracy to assist in and carry out terrorist activities. These are criminal actions and should be treated as such by U.S. law enforcement agencies.

[5] "Those Who Die Fighting US Occupation Forces are Martyrs," www.islamfortoday.com, March 27, 2003. Available at www.islamfortoday.com/qaradawii04.htm

QUESTIONS FROM SENATOR SCHUMER TO ALEX ALEXIEV

1. One of the goals of last week's hearing was to illuminate the strength of the Wahhabi influence here in America. However, there is strong evidence showing that Wahhabis are active around the world in places like Afghanistan and Chechnya. Please describe the global presence of Wahhabi activities. What kind of future are we looking at domestically and internationally should the Wahhabist agenda continue to develop unchecked?

   Answer – The evidence of the global reach of Wahhabi activities in support of Islamic extremism is indeed overwhelming. As I have argued in my testimony, it is not an exaggeration to say that without a quarter century of Wahhabi propaganda activities and Saudi financial sponsorship of the radical Islam infrastructure the terrorist threat we are facing today would be nowhere as acute as it is. And it is important to remember that while not all Muslim extremists become terrorists, all Islamic terrorism is aided and abetted by this radical infrastructure.

   There is hardly a region in the world where Wahhabi/Saudi fanaticism has not contributed to the radicalization of Muslim communities to the detriment of traditional mainstream Islam. In South Asia, for instance, decades of Saudi funding of the extremist Deobandi creed has resulted in a situation where thousands of radical madrassas preach little more than hatred and Jihad against other religions and even other Muslims that do not subscribe to their hateful zealotry. Their support has also been instrumental in the Taliban phenomenon, the birth of Al Qaeda and the appearance of scores of jihadist organizations in Pakistan and elsewhere in the region.

   In the former Soviet Union, the Wahhabis/Saudi fanatics hijacked the legitimate Chechen struggle for self-determination and transformed part of it into a criminal terrorist enterprise. Wahhabi propaganda and unlimited financial resources have threatened the centuries-old Sufi traditions in the Caucasus and have made major inroads in many other moderate Muslim communities in Russia and Central Asia.

   In Europe, apart from penetrating Muslim communities in Western Europe, the Wahhabis skillfully exploited the genocidal turmoil following the collapse of communist Yugoslavia and established a huge presence in Bosnia and also in Kosovo and Albania. In Bosnia, a country with a Muslim population of some 1.5 million, the Saudis spent over $600 million for "Islamic activities" and established 160 Wahhabi mosques, Islamic centers and various Wahhabi controlled institutions. As a result, there are now extremist Islamic organizations present there that never existed before.

   The picture is similar in Southeast Asia where the Wahhabis are particularly active in Indonesia and also in the Philippines where they provide financial and logistic support to the Islamic insurgents of the Moro Liberation Front. Africa is another focus of Wahhabi ideological penetration and funding of radical Islam and there is now evidence of Saudi/Wahhabi subversion of Muslim communities in South America as well.

Coupled with the extensive Wahhabi efforts to dominate Muslim communities in the United States, it is clear that if the spread of this aggressive, worldwide campaign to foster Islamic fanaticism is not checked; likely that much lasting progress will be made in the international community's the efforts to defeat terrorism.

2. On June 25th, President Bush asked members of the European Union to completely sever ties with all parts of Hamas, be they military or political. The clear implication of this call is that any agent of Hamas is a terrorist. Despite Saudi Arabia's efforts to fight terrorism, do they continue to have financial or political connections to *any* branch of Hamas? Is there a Wahhabi connection to Hamas? Are you aware of any Saudi connections to organized terrorist groups? If so, please describe them.

   Answer – There is little doubt that there are strong connections between the Wahhabi/Saudi factor and the Islamist parts of the Palestinian movement. Indeed, the most significant development in this movement in the 1990s, and one that has not been given adequate analytical attention, is the gradual transformation of the Palestinian movement from one based ideologically primarily on socialist, secular and nationalistic ideas to one based on radical Islamic ideology as exemplified by Hamas and Islamic Jihad. The Saudis, who evinced marked disinterest in the former for decades, have now become a key patron of the latter because of the fanatic worldview they share in common. This in turn, has made the Israeli-Palestinian conflict part of the global Islamist challenge to the secular democratic order and less prone to a peaceful resolution separately.

   The Saudi connections with openly terrorist groups are multifaceted and quite extensive. US authorities, for instance, have implicated all four major Wahhabi/Saudi fronts active in the export of Wahhabism (World Muslim League, Al Haramain Foundation, World Assembly of Muslim Youth and the International Islamic Relief Organization) in terrorist activities. Saudi money and organizational help played a key role in the establishment of Al Qaeda and is also providing support to a number of Pakistan

   Jihadist groups such as Lashkar-e-Taiba, Harkat –ul-Mujahideen etc. It has previously supported now extinct terrorist groups such as the Egyptian Al Jihad and Gamaa Islamiya, the Muslim Brotherhood and the Algerian FIS. As mentioned above it has also been directly involved in the support of Muslim terrorists in the Philippines, Chechnya and almost certainly in Indonesia as well.

3. I understand that the Saudi Arabian government has active lobbyists representing it in Washington and that Wahhabi organizations also have a significant presence in the nation's capital. In fact, members of these Wahhabi organizations have attended the President's prayer breakfast and stood with him after September 11th when he spoke out against racial profiling and discrimination. I'm also told that representatives of other types of Islam are not invited to these meetings. Please comment on how the Administration developed these close ties to Wahhabi organizations and why these

close ties remain in place. What must be done to ensure that the Administration is getting an accurate portrayal of Islam in America and not getting a perspective overly influence by Wahhabist ideology?

Answer – Saudi Arabia has always maintained a large-scale lobbying and influence peddling effort in Washington, but it has become even more pronounced of late as its reputation gets progressively more tarnished because of its support for Islamic extremism in the United States and elsewhere. Apart from conventional lobbying by top notch retained firms and running traditional ad campaigns (most recently with the lobbying firm of Loeffler Jonas & Tuggey and the public relations firm of Qorvis Communications) Riyadh also sponsors and finances, directly or indirectly, many individuals, institutions and publications that serve as its apologists and agents of influence. These include institutions such as the Middle East Institute and the Washington Report for Middle East Affairs, as well as a number of former U.S. ambassadors to Saudi Arabia among others. [1]

In pursuing their pro-Saudi agendas many of these individuals and institutions end up promoting anti-American policies and extremist causes. The Washington Report, for instance, openly peddles political smut on its website, such as an anti-Semitic pamphlet called "Zionist Collaboration with the Nazis," while its executive editor Richard H. Curtiss regularly authors anti-American diatribes in the government-controlled press in Saudi Arabia.

More telling still are the Saudis determined efforts to gain access and influence at the highest levels of the American political establishment. They appear to have had considerable success in this effort and even a member of a Wahhabi organization implicated in terrorist activities has been observed attending White House functions with the President of the United States.[2] According to numerous media reports, this has been accomplished with the help of prominent republican activist and president of Americans for Tax Reform, Grover Norquist. As a co-founder of the influential Islamic Institute in Washington, an organization supported by Wahhabi interests, [3] Norquist is a de facto member of the Wahhabi lobby and has contributed decisively to their growing political influence in our capital. He is said to have done this by becoming the "central" player in a putative White House Muslim outreach effort in which the Islamic Institute [4] is reported to be "a nerve center for Muslim lobbying"[5] in Washington, D.C. This effort appears to

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[1] See Matt Welch, "Shilling for the House of Saud," NewsMax.com, Aug. 31, 2002

[2] See Mike Allen and Richard Leiby, "Alleged Terrorist Met With Bush Adviser," The Washington Post, 22 February 2003; J. Michael Waller, "Undermining the War on Terror," Insight, 18 March 2003; and Michael Isikoff,"Hiding in Plain Sight," Newsweek, 3 March 2003.

[3] Khaled Saffuri, "News of 'Political Apocalypse Might Be Far-Fetched; Waller replies" Insight, 15 October 2002. (Exhibit includes two checks; one from the Riyad Bank, the other from the Saudi Hollandi Bank. Checks are made out to the Islamic Free Market Institute Foundation and the Islamic Institute, respectively).

[4] Franklin Foer , "Fevered pitch: Grover Norquist's strange alliance with radical Islam," The New Republic, Nov. 12, 2001.

[5] Franklin Foer , "Fevered pitch: Grover Norquist's strange alliance with radical Islam," The New Republic, Nov. 12, 2001.

predate the Bush Administration tenure and go back to the election campaign of 2000 [6] As the *National Journal's* Shawn Zeller has written in December 2002 : "...Grover Norquist had persuaded the Republican nominee to sit down with leaders of the American Muslim Political Coordinating Council, a confederation of four Muslim community groups."[7] Norquist, himself, admitted in November 2001 that Muslim activists "gather at the Islamic Institute to plan and debrief, when they have meetings [with administration officials]."[8]

The Islamic Institute, which is also known as the Islamic Free Market Institute, was founded with staff and seed money from the founder of the American Muslim Council, yet another Wahhabi front, and its leader Abdurahman Alamoudi. It has received financial support from Saudi Arabia[9] and also from Qatar, which is the only other country in the world to have Wahhabism as its state religion. The Islamic Institute has further worked with Republicans in Congress to oppose many of the Bush Administration's key legislative anti-terrorism initiatives.

The Islamic Institute and its leadership have also acted in concert with other members of the Wahhabi network on several occasions. Among the most notable such cooperative efforts have been institute interactions with Sami Al-Arian, a former University of South Florida professor now awaiting trial for his alleged role in fundraising for the terrorist Palestinian Islamic Jihad. In April of 2001, Institute founder Grover Norquist received an award from the National Coalition to Protect Political Freedom where Sami Al-Arian was serving as President. [10] On September 24, 1999, Islamic Institute board member Suhail Khan was a featured speaker at a rally sponsored by Sami Al-Arian's Tampa Bay Coalition for Justice and Peace.[11] Six months before his arrest, Sami Al-Arian visited the Islamic Institute in Washington.[12]

The Islamic Institute has received considerable grant funding from the SAFA Trust, the sister company of the SAAR Foundation. The SAAR foundation was started in the 1970's by wealthy Saudi businessman Sulaiman Abdul Aziz al-Rajhi, and was dissolved in December of 2000. SAAR's offices, also occupied by SAFA, were raided as part of Operation Greenquest in October, 2002 after evidence was found linking SAAR to two individuals designated by the US government as terrorist financiers.[13]

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[6] Press release, "American Muslim PAC Endorses George W. Bush for President," AMAweb.org, source: Internet, http://www.amaweb.org/election2000/ampcc_endorses.htm.
[7] Shawn Zeller, "Tough Sell," The National Journal, Dec. 14, 2002.
[8] Franklin Foer , "Fevered pitch: Grover Norquist's strange alliance with radical Islam," The New Republic, Nov. 12, 2001.
[9] Khaled Saffuri, "News of 'Political Apocalypse Might Be Far-Fetched; Waller replies" Insight, 15 October 2002. (Exhibit includes two checks; one from the Riyad Bank, the other from the Saudi Hollandi Bank. Checks are made out to the Islamic Free Market Institute Foundation and the Islamic Institute, respectively).
[10] Kristin Szremski, "National Coalition to Protect Political Freedom Holds Fourth Annual Convention," *Washington Report on Middle East Affairs,* October 2001.
[11] Listserv notice sent from Mahdi Bray, national political director of the Muslim Public Affairs Council.
[12] "Friends in High Places," Mary Jacoby *St. Petersburg Times*, March 11, 2003, p. 1D.
[13] "Muslim Money Tracked From Virginia," Douglas Farah and John Mintz, *The Orlando Sentinel*, October 7, 2002, page A9.

The "Wahhabi lobby" has successfully prevented other "moderate" Muslims from participating in White House outreach initiatives. One example is Shaykh Muhammad Hisham Kabbani who for many years "has warned about the hijacking of Islam in the United States and elsewhere in the world by a militant and violent Wahhabist sect financed by Saudi Arabia that now controls or funds a large number of mosques, religious schools and political organizations in this country."[14] As a result, writes Dr. J Michael Waller of *Insight Magazine* "Traditional, 'moderate' American Muslim leaders, for the most part, have felt too isolated, outnumbered and intimidated to resist."[15]

Influence peddling efforts by Wahhabi groups in American have not been limited to the Bush Administration and the Republican party. They are truly "bipartisan". To name just one example, the Arab American Institute, a major Muslim lobbying institution has received significant amounts of Saudi funding[16] and strenuously opposed virtually all current U.S. policies in the Middle East. At the same time, its president, James Zogby, is a top Democratic activist who (together with his wife) has donated nearly $40,000 to various democratic causes. On June 12, 2003, Zogby announced at a press conference with the president of WAMY, a Saudi front organization implicated in terrorist activities, that the AAI and WAMY will jointly "take up the cases" of 13,000 Muslims illegally residing in the United States and facing deportation.[17] Given that WAMY is a Saudi government-controlled organization, this cannot be interpreted other than as a conscious act by Zogby and AAI to aid and abet a foreign entity in interfering in the internal affairs of the United States. (For more information on these the Saudi-sponsored Wahhabi network see: *Appendix A -- Center for Security Policy Profiles of Domestic Wahhabi Supporting Organizations*; *Appendix B -- Center for Security Policy Report: Biographical Sketches of the Senior Cadre of the "Wahhabi Lobby"*; and *Appendix C -- Center for Security Policy Report: Interlocking Web of American Muslim Groups*.)

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[14] J. Michael Waller, "A Resounding Voice In Traditional Islam," Insight, posted Sept. 19, 2002.
[15] J. Michael Waller, "A Resounding Voice In Traditional Islam," Insight, posted Sept. 19, 2002.
[16] M. Ghazanfar Ali Khan, "Alwaleed donates $500,000 to Bush Sr. scholarship fund," Arab News, 25 December 2002 (Prince Alwaleed ... also donated $300,000 to the Arab-American Institute headed by James Zogby).
[17] "Stop Inflaming Passions, Says Zogby," *Press International News Agency*, 12 June 2003 source: http://www.arabia.com/newsfeed/article/english/0,14183,397830,00.html.

SUBMISSIONS FOR THE RECORD

WAHHABISM: STATE-SPONSORED EXTREMISM WORLDWIDE

Testimony by Alex Alexiev
Senior Fellow, Center for Security Policy

U.S. Senate Subcommittee on Terrorism, Technology and Homeland Security
Thursday, June 26, 2003

As we near the second anniversary of 9/11, the U.S. war on terrorism has scored some impressive successes. After denying Afghanistan as a base of operations to Al Qaeda in the fall of 2001, the United States has been able to neutralize a number of its high-ranking operatives and disrupt its operations. The removal of the brutal dictatorship of Saddam Hussein in Operation Iraqi Freedom has precluded that rogue regime from developing and using weapons of mass destruction or supplying them to fellow-terrorists. On the domestic front, significant strides have been made in shoring up homeland security and no serious terrorist incident has taken place on American soil since 9/11. Despite these very positive developments, it would be highly premature to claim that we're close to winning the war. Indeed, recent terrorist attacks in Riyadh and Casablanca, as well as the putative conspiracy to blow-up Brooklyn Bridge, have shown unmistakably that terrorist networks and groups retain considerable ability to wreak havoc.

This is the case because while the United States has been successful in inflicting strategic defeats on state sponsors of terrorism, such as Afghanistan and Iraq, it has not applied the same decisive strategic approach in dealing with the phenomenon of Islamic extremism, which is both the root cause and basic support structure of the terrorist phenomenon exemplified by Al Qaeda and others. It is worth reminding ourselves here, that Al Qaeda is not the cause, but rather the symptom of the malignancy called Islamic extremism and that even if we are able to defeat Al Qaeda totally, somebody else will almost certainly continue in its footsteps, as long as the underlying malignancy lives on.[1]

Thus, most of the measures taken to defeat Islamic terrorism to date have been essentially tactical in nature and therefore of transitory effect. We have, for instance, attempted to block financial inflows to the terrorist networks, but have avoided taking a critical look into the real magnitude and nature of terrorist finances, especially with respect to the evidence of state sponsorship. The result is that despite some $117 million of frozen assets, the terrorists do not appear to be lacking in funds at all.[2] We have attempted to come to terms with the psychology behind the terrorists' murderous fury, yet refuse to examine systematically, let alone do something about, the effect and implications of daily indoctrination of hundreds of thousands if not millions of Muslims around the world into a hate-driven cult of violence. Similarly, we have tried and often succeeded in disrupting the terrorists' tactical organizational structures and communications networks, but have paid scant attention to the huge world-wide infrastructure of radical Islam which breeds and nourishes violence.

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[1] For an example of an extremist Islamic organization that could easily succeed Al Qaeda and is already operating internationally see Ariel Cohen, Hizb ut-Tahrir: An Emerging Threat to U.S. Interests in Central Asia, Backgrounder #1656, The Heritage Foundation, June 2003.

[2] This becomes easier to understand when we're told recently that a single mosque in Brooklyn has been able to transfer $20 million to Al Qaeda.

Yet, without a critical consideration of these realities and the formulation of a forceful strategic response based on it, it is unlikely that we'll make lasting progress in the war on terror. It is thus necessary to briefly examine the key factors that have made and sustained Islamic extremism as a daunting challenge to our liberal democratic order.

The Ideology of Extremism

It is difficult, indeed, impossible to successfully defeat a violent ideological movement, such as radical Islam, without understanding the ideology motivating it. And there has been no lack of scholarly attention to the subject from both the liberal Western and the Muslim perspective recently. [3] Nonetheless, it is worth encapsulating the main doctrinal tenets of Islamic extremism here because they are regularly and consciously obfuscated by the extremists themselves and continue to be misunderstood.

Islamic extremism as an ideology is hardly new with the first movement that resembles today's phenomenon, known as the Kharijites, appearing shortly after the birth of Islam in the 7th century. Later it was expounded on by various Islamic scholars, such as Ibn Taymiiya in the 13th century, but it did not become institutionalized until the mid-18th century when the theories promulgated by the radical cleric Muhammad ibn Abd al-Wahhab were accepted and imposed as the state religion of his realm by the founder of the House of Saud. Wahhabism, as this creed got to be known, like most other extremist movements before it, believed that traditional Islamic virtues and beliefs have been corrupted and preached a return to the ostensibly pure Islam of the time of the Prophet and his companions.[4] In reality, Wahhab's extreme doctrines contradicted and stood on their head major tenets of traditional Islam and in a real sense represent an outright falsification of the Muslim faith.[5]

To name just one egregious example, a key postulate of Wahhab's teaching asserts that Muslims who do not believe in his doctrines are *ipso facto* non-believers and apostates against whom violence and Jihad were not only permissible, but obligatory. This postulate alone transgresses against two fundamental tenets of the Quran – that invoking Jihad against fellow-Muslims is prohibited and that a Muslim's profession of faith should be taken at face value until God judges his/hers sincerity at judgment day. This extreme reactionary creed was then used as the religious justification for military conquest and violence against Muslim neighbors of the House of Saud. Already in 1746, just two years after Wahhabism became Saud's religion, the new Saudi-Wahhabi state proclaimed Jihad against all neighboring Muslim tribes that refused to subscribe to it. Indeed, well into the 1920s the history of the House of Saud is replete with violent campaigns to force other Muslims to submit politically and theologically, violating yet another fundamental Quranic principle that prohibits the use of compulsion in religion.

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[3] For a critique of radical Islam as exemplified by Wahhabism from the point of view of traditional Muslim scholarship see Hamid Algar, Wahhabism: A Critical Essay, Islamic Publications International, New York 2002. Recent book-length Western studies include Dore Gold, Hatred's Kingdom, Regnery Publishing, Wash. D.C., 2003 and Stephen Schwartz, The Two Faces of Islam, Doubleday, New York 2002.

[4] The Wahhabis themselves despise the term and never use it since they believe and claim that theirs is in fact the only true Islam.

[5] To the extent that Wahhabism contradicts some of the fundamental tenets of Islam it is misleading to call it fundamentalist as many observers routinely do.

Today, the Wahhabi ideology continues to be characterized by a set of doctrinal beliefs and behavior prescriptions that are often inimical to the values and interests of the vast majority of Muslims in the world to say nothing about those of non-Muslims. Non-Wahhabi Sunni Muslims (syncretic Muslims, Sufis, Barelvis, Bahai, Ahmadis, etc) are still considered illegitimate, at best, while the Shia religion is particularly despised as a "Jewish conspiracy" against Islam.[6] The Wahhabis continue to believe and preach violence and Jihad as a pillar of Islamic virtue, rigid conformism of religious practice, institutionalized oppression of women, wholesale rejection of modernity, secularism and democracy as antithetical to Islam and militant proselytism.
This jihadist ideology par excellence, is by and large, also the worldview of radical Islam and it is not at all an exaggeration to argue that Wahhabism has become the prototype ideology of all extremist and terrorist groups, even those that despise the House of Saud.

How did this obscurantist, pseudo-Islamic creed manage to become the dominant idiom not only among the extremists but increasingly the Islamic establishment? The short answer is money and an acute legitimacy crisis in the Muslim world in the last quarter of the 20th century.

Regarding the latter, the progressive, centuries-long, gradual decline of Islam as a dominant force and civilization reached its nadir in 1924, when Mustafa Kemal (Ataturk) simultaneously did away with the Caliphate and the Ottoman Empire by overnight transforming the latter into a secular Turkish republic. The unceremonious discarding of the symbol of the Muslim community (ummah), coupled with the establishment of European colonial rule over much of the Muslim world gave rise to revivalist movements and ideologies seeking to come to terms with Islam's predicament and efforts to restore it to previous glories.

Beginning with the Muslim Brotherhood of Hassan el-Banna in 1928, followed by the movements founded by Islamist ideologues like Abul ala Maududi, Sayyid Qutb and the extremist Deobandi creed in South Asia, radical Islam established a strong presence in the Muslim world in the second half of the 20th century. Then in the 1970s and 1980s Islamic terrorist groups (Al Jihad and Gamaa Islamiya in Egypt, Front for National Salvation (FIS) in Algeria etc.) began appearing in the Middle East and South Asia, especially after the beginning of the Soviet war in Afghanistan. While none of these groups and movements were 100% Wahhabi originally, their ideological differences were insignificant.[7]

As these movements were violently suppressed in places like Egypt and Algeria, the Saudis were quickly able to co-opt them by providing sanctuary and financial assistance to their members in both Saudi Arabia and outside of it. Thus, the economic and logistical dependence of many of these extremists on the Saudis, coupled with the ongoing radicalization of Wahhabism itself, created a highly synergistic relationship between the practitioners of terror and their Wahhabi

[6] For instance, the establishment of an Islamic state based on Sharia'a in Iran under Ayatollah Khomeini was seen as a real threat to Saudi/Wahhabi interests, rather than a victory for Islam, and treated with unmitigated hostility by Riyadh.
[7] For example, while many of these movements considered the Muslim political leadership of their countries illegitimate and urged and conspired in its violent overthrow, most, though not all, of the Wahhabis supported the House of Saud.

supporters and paymasters despite the fact that many practicing jihadists like Osama bin Laden resented the Saudi regime.

While this ideological affinity between the Wahhabis and modern day radical Islam is undoubtedly of key import, it was vast amounts of money more than anything else that made Wahhabism the chief enabler and dominant influence of the Islamist phenomenon.

Financing Radical Islam

Saudi financing of Islamic extremism plays such a huge role in its emergence as a global phenomenon that a proper understanding of it is impossible without coming to terms with its dimensions. Simply put, without the exorbitant sums of Saudi money spent on supporting extremist networks and activities, the terrorist threat we are facing today would be nowhere as acute as it is.

While the Wahhabis have always been sympathetic to Sunni Muslim extremists and evidence exists that they have supported such people financially as early as a century ago,[8] the real Saudi offensive to spread Wahhabism aggressively and support kindred extremist groups world-wide began in the mid-1970s, when the kingdom reaped an incredible financial windfall with rocketing oil prices after Riaydh's imposition of an oil embargo in 1973.[9] "It was only when oil revenues began to generate real wealth," says a government publication, that "the kingdom could fulfill its ambitions of spreading the word of Islam to every corner of the world." [10]

There are no published Western estimates of the numbers involved, which, in itself, is evidence of our failure to address this key issue, but even the occasional tidbits provided by official Saudi sources, indicate a campaign of unprecedented magnitude. Between 1975 and 1987, the Saudis admit to having spent $48 billion or $4 billion per year on "overseas development aid," a figure which by the end of 2002 grew to over $70 billion (281 billion Saudi rials).[11] These sums are reported to be Saudi state aid and almost certainly do not include private donations which are also distributed by state-controlled charities. Such staggering amounts contrast starkly with the $5 million in terrorist accounts the Saudis claim to have frozen since 9/11. In another comparison, it is instructive to put these figures side by side with the $1 billion per year said to have been spent by the Soviet Union on external propaganda at the peak of Moscow's power in the 1970s.

Though it is claimed that this is "development aid" it is clear from the Saudi media and government statements alike that the vast majority of these funds support "Islamic activities", rather than real developmental projects. For example, a report on the yearly activities of the Al Haramain Foundation described as "keen on spreading the proper Islamic culture" are listed as follows: "it printed 13 million (Islamic) books, launched six internet sites, employed more than

[8] The Islamist ideologue Rashid Rida was one of the first of those in 1909. See Apgar, op.cit.
[9] Saudi oil revenues jumped from $1 billion in 1970 to $116 billion in 1980.
[10] Ain Al-Yaqeen, March 27, 2002.
[11] See Saudi Aid to the Developing World, Nov. 2002, in www.saudinf.com/main/1102.htm and statement by Dr. Ibrahim Al-Assaf, Saudi Minister of Finance and National Economy as reported by Saudia Online, Jan.2, 2003 (www.saudia-online.com/news2003/newsjan03/news2.shtml.) 96% of these aid amounts are said to be grants.

3000 callers (proselytizers), founded 1100 mosques, schools and cultural Islamic centers and posted more than 350,000 letters of call (invitations to convert to Islam)" while the International Islamic Relief Organization (IIRO), another key "charity," completed 3800 mosques, spent $45 million for Islamic education and employed 6000 proselytizers.[12] Both of these organizations have been implicated in terrorist activities by U.S. authorities and both operate directly out of Saudi embassies in all countries in which they do not have their own offices.

The Saudi money is spent according to a carefully designed plan to enhance Wahhabi influence and control at the expense of mainstream Muslims. In Muslim countries, much of the aid goes to fund religious madrassas that teach little more than hatred of the infidels, while producing barely literate Jihadi cadres. There are now tens of thousands of these madrassas run by the Wahhabis' Deobandi allies in South Asia and also throughout Southeastern Asia. In Pakistan alone, foreign funding of these madrassas, most of which comes from Saudi Arabia, is estimated at no less than $350 million per year.[13] The Saudis also directly support terrorist activities in places like Pakistan, Afghanistan, the Philippines, Indonesia, Chechnya, Bosnia and, as noticed above, most of the large Saudi foundations have been implicated in such involvement.

It needs to be emphasized here that contrary to Saudi claims that charities such as Al Haramain, the World Muslim League (WML), the World Assembly of Muslim Youth (WAMY) and the International Islamic Relief Organization (IIRO) are independent and non-governmental, there is conclusive evidence from Saudi sources that they are tightly controlled by the government and more often than not run by government officials. It is also the case that as early as 1993, the kingdom passed a law stipulating that all donations to Muslim charities must be collected in a fund controlled by a Saudi Prince [14]

Early on in the Wahhabi ideological campaign, the penetration of the Muslim communities in non-Muslim Western societies was made a key priority. The objective pursued there was slightly different and aimed to assure Wahhabi dominance in the local Muslim establishments by taking over or building new Wahhabi mosques, Islamic centers and educational institutions, including endowing Islamic chairs at various universities. [15] Taking over a mosque, of course, means more than just the ability to impose the Wahhabi version of Islam. The imam and the leadership of the mosque are also responsible for the collection of *zakat* (the 2 ½ % yearly tithe Muslims must donate), which gives them the ability to contribute these funds to extremist organizations. Most Pakistani mosques in the United Kingdom, for instance, have reportedly been taken over by the Wahhabi/Deobandi group even though their members belong primarily to the moderate Barelvi

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[12] Ain-Al-Yaqeen, (Saudi government-controlled newspaper), December 8, 2000.

[13] For details on Saudi funding of the madrassas see Alex Alexiev, The Pakistani Time Bomb, Commentary, March 2003

[14] See www.saudhouse.com/salman_bin_abdul_aziz.htm

[15] The typical modus operandi in taking over a mosque or similar institution follows approximately the following pattern: Saudi representatives offer a community to subsidize the building of a new mosque, which usually includes an Islamic school and a community center. After completion of the project an annual maintenance subsidy is offered making the community dependent on Saudi largess in perpetuity. Saudi chosen board members are installed, a Wahhabi imam (prayer leader) and free wahhabi literature are brought in and the curriculum changed in accordance with Wahhabi precepts. Visiting speakers of extremist views are then regularly invited to lead Friday night prayers and further radicalize the members. The most promising candidates are selected for further religious education and indoctrination in Saudi Arabia to be sent back as Wahhabi missionaries as the circle is completed.

creed. As a result, millions of their donations are said to be supporting terrorist groups in Pakistan.[16]

While nobody knows for sure how much the Saudis have spent on getting a foothold in non-Muslim regions and especially in Western Europe and North America, the sums are clearly huge. According to official information, the Saudis have built over 1500 mosques, 210 Islamic centers, 202 Islamic colleges and 2000 schools for educating Muslims in non-Muslim countries. Most of these institutions continue to be on the Saudi payroll for substantial yearly donations assuring that Wahhabi control is not likely to weaken any time soon.[17]

What have the Saudis been able to buy with this unprecedented Islamic largesse? Quite a bit it would seem. For starters, the Wahhabi creed which is practiced by no more than 20 million people around the world, or less than 2% of the Muslim population, has become a dominant factor in the international Islamic establishment through an elaborate network of front organizations and charities, as well as in a great number of national establishments, including the United States. In just one example, the venerable Al Azhar mosque and university in Cairo, which not too long ago was a paragon of Islamic moderation has been taken over by the Wahhabis and spews extremist propaganda on a regular basis. Two of their recent fatwas make it a religious duty for Muslims to acquire nuclear weapons to fight the infidels and justify suicide attacks against American troops in Iraq.[18]The Wahhabi project has contributed immeasurably to the Islamic radicalization and destabilization in a number of countries and continues to do so. Pakistan, for instance, an important U.S. ally, is facing the gradual talibanization of two of its key provinces under Wahhabi/Deobandi auspices and the prospect of large-scale sectarian strife and turmoil. Riyadh-financed extremist networks exist presently around the world providing terrorist groups and individuals with a protective environment and support and even the recent terrorist incidents in Saudi Arabia itself do not seem likely to bring about meaningful change.

Already Saudi officials have stated that they do not intend to either change their anti-Western curriculum or stop their "charitable" activities. Yet the evidence of conscious Saudi subversion of our societies and values as partly detailed above is so overwhelming that to tolerate it further would be unconscionable. Failure to confront it now will assure that we will not win the war on terror anytime soon.

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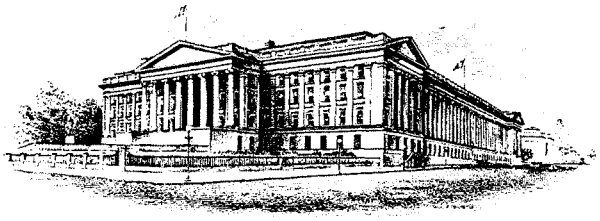
[16] International Crisis Group (ICG) Report, "Pakistan: Madrassas, Extremism and the Military," Asia Report #36, July 29, 2002, p. 16

[17] Although information on this aspect is rather scarce, figures provided from time to time in the Saudi media indicate yearly payments to Islamic centers in the range of $1.5 million to $7 million.

[18] See Suicide Attacks Permitted: Al Azhar, Dawn, April 6, 2003 (www.dawn.com/2003/04/06int10.htm)



DEPARTMENT OF THE TREASURY
OFFICE OF PUBLIC AFFAIRS

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2:00 PM June 26, 2003

Contact: Taylor Griffin
(202) 622-2960

Written Testimony of David D. Aufhauser
General Counsel, Department of the Treasury
Before the Senate Judiciary Committee
Subcommittee on Terrorism, Technology and Homeland Security
June 26, 2003 2:00 p.m.
The United States Senate

The Threat of Terrorist Financing

Chairman Kyl and distinguished Members of the Subcommittee on Terrorism, Technology and Homeland Security, thank you for inviting me to testify today about the threat posed by those who fund terrorism and what can be done to keep that money from getting into the hands of terrorists.

I want to take a moment to emphasize that the terrorist financing strategy of the United States government does not target any particular faith or sect. We are not at war with a religion, but rather with terrorists who sometimes masquerade as its champion. It is a difficult challenge to distinguish between an austere, uncompromising and intolerant view of faith from extremism and fanaticism that purposely seeks the blood of children.

This is a profoundly uncommon war. There is no known sovereign; no uniformed army; no road to take; and, as far as terrorists are concerned, no target that is out-of-bounds. Indeed, terrorists obscenely place a premium upon death and the maiming of innocents. It is shadow warfare. The primary source of the stealth and mobility necessary to wage it is money. It is the fuel for the enterprise of terror. But money is also the Achilles' heel of a terrorist. It leaves a signature, an audit trail which, once discovered, has proven to be the best single means of identification, prevention and capture. Books and records are literally diaries of terror and they can tell us much about the wrongful, criminal hijacking of religion.

How Terrorists Raise and Move Money

Terrorist financing is a unique form of financial crime. Unlike money laundering, which is finding dirty money that is trying to hide; terrorist financing is often clean money being used for lethal purposes. The source of the money used to put a bomb in the hand of a terrorist is often legitimate -- as in the case of charitable donations or profits from store-front businesses diverted from their ostensible use -- and the ultimate goal is not necessarily the attainment of more funds. The ultimate goal of terrorist financing is destruction.

Terrorists employ a wide range of terrorist financing mechanisms, both to raise and move money, and the means used by particular terrorist organizations vary from group to group. Some terrorist groups, such as those in Europe, East Asia, and Latin America, rely on common criminal activities including extortion, kidnapping, narcotics trafficking, counterfeiting, and fraud to support their terrorist acts. Other groups, such as those in the Middle East, rely on commercial enterprises, donations, and funds skimmed

from charitable organizations to not only fund their activities but also to move materiel and personnel. Still other groups rely on state sponsors for funding.

But both terrorist financing and traditional financial crimes have one thing in common – they leave a financial footprint that allows us to trace financial flows, unravel terrorist financing networks, and uncover terrorist sleeper cells. The following is a basic summary of the principal sources of funding and the means used to move money that terrorist organizations and their supporters use to plan attacks and to support their networks.

1. Gaming the Banking System

As the United States government sought the sources of support to terrorists in the wake of September 11th, the focuswas on the formal international banking system – the most visible conduit for terrorist financing. Terrorists exploited the openness of the international financial system by storing funds in shell banks and front companies and by using wire transfers to move funds through multiple jurisdictions.

Over the past twenty-one months, we – the Treasury Department, State, Justice, the FBI and other agencies, have conducted an intensive campaign to counter this threat. Through the broad powers of the USA PATRIOT Act (Patriot Act)and sustained international engagement, we have greatly improved the transparency and accountability of financial institutions around the world. These improvements have allowed us to identify and unravel terrorist financing networks embedded in the international financial system. We have also increased the costs for terrorists seeking to use the formal banking system as a means of storing and moving funds.

Domestically, Treasury has worked continuously and closely with the private financial sector in issuing a host of regulations to implement various provisions of the Patriot Act. These regulations have reduced the risk of terrorist abuse of the U.S. financial system by improving and expanding customer identification, record-keeping and reporting requirements in vulnerable financial sectors; cutting off shell banks from the U.S financial system; requiring due diligence for correspondent accounts maintained for foreign financial institutions and enhanced due diligence for high risk accounts; and expanding information-sharing capabilities to ensure better communication between financial and law enforcement authorities. We will continue to work with the private financial sector to ensure that our regulatory framework adequately protects our financial system from abuse while respecting the legitimate privacy and business interests of our financial institutions and their clients.

Treasury and the State Department have also advanced the development of global standards to protect the international financial system from the threat of terrorist financing through the Financial Action Task Force (FATF), the premier international body in the fight against money laundering. Treasury co-chairs the FATF's Working Group on Terrorist Financing and has worked through FATF to create a comprehensive and effective framework for protecting the international financial system from the threat of terrorist financing and money laundering. We are continuing to engage in a comprehensive international effort to facilitate country compliance with these global standards.

2. Corrupting Charitable Giving

Investigation and analysis by intelligence and enforcement agencies have clearly revealed that terrorist organizations utilize charities to facilitate funding and to funnel money. Charitable donations to non-governmental organizations (NGOs) are commingled and then sometimes diverted or siphoned to groups or organizations that support terrorism. Fundraising may involve community solicitation in the United States, Canada, Europe, and the Middle East or solicitations directly to wealthy donors.

Though these charities may be offering humanitarian services here or abroad, funds raised by these various charities are sometimes diverted to terrorist causes. This scheme is particularly troubling because of the perverse use of funds donated in good will to fuel terrorist acts.

We have seen clear examples of this type of scheme in our efforts to identify and freeze terrorist-related assets. In one instance, Hamas, a foreign terrorist organization, used the largest U.S. Islamic charity, the Holy Land Foundation for Relief and Development (Holy Land), as a fundraising source for its terrorist activities. Based on preliminary work of the FBI, we designated Holy Land on December 4, 2001, pursuant to E.O. 12334 and froze the assets of Holy Land because it was being used as a charitable front to raise and funnel money to Hamas.

We have also collaborated with foreign governments and designated NGOs at the 1267 Sanctions Committee of the United Nations to shut down international charities that have operated as terrorist financing networks in foreign jurisdictions. On March 11, 2002, the United States participated in its first joint designation of a terrorist supporter. The United States and Saudi Arabia jointly designated the Somalia and Bosnia-Herzegovina offices of Al Haramain, a Saudi-based NGO. These two offices were linked

to al Qaida and their names were forwarded to the Sanctions Committee for inclusion under the UNSCR 1267/1333/1390/1455 list.[1] Most recently, we have worked with a number of other governments to designate or otherwise shut down the activities of the al Aqsa Foundation, owing to this charity's support for the Hamas terrorist organization.

In total, the Treasury Department has now designated 18 NGOs under E.O. 13224 as financing or otherwise supporting terrorist activity. I would like to clarify the importance of these designations in protecting the charitable sector from terrorist abuse. There is often a misperception that our designations of charities create a chilling effect in the donor community by raising fears that innocent donor funds nobly intended for sorely needed humanitarian aid will be frozen.

But we must remember that the problem underlying this concern is the abuse of charities by terrorist organizations. It is this abuse, not the consequential freezing actions taken by our government, which undermines donor confidence. In the absence of our designations, money intended for humanitarian assistance would not be frozen; rather, it would finance further destruction. Our designation actions protect U.S. charitable organizations and innocent donors from abuse by illuminating those charities that finance terror rather than need. These designations are essential in restoring donor confidence in the integrity of the charitable sector and form a crucial part of our larger strategy to protect charities from terrorist abuse.

To assist U.S.-based charities concerned that their distribution of funds abroad might reach terrorist-related entities and thereby trigger a blocking action on the part of the Treasury Department, the Department has developed *voluntary* best practices

[1] UN Resolutions 1267/1333/1390/1455 mandate blocking sanctions on Usama bin Laden, al Qaida, the Taliban, and those associated with them.

guidelines for all U.S.-based charities. (The guidelines are available at http://www.treas.gov/press/releases/po3607.htm). The Treasury Department developed these guidelines in response to requests from the Arab American and American Muslim communities, who reported a reduction in charitable giving and an increased apprehension among donors as a consequence of the Treasury Department's blocking of the three domestic charities. Although wholly voluntary, the guidelines, if implemented, offer a means by which charities can protect themselves against terrorist abuse and are consistent with the principles espoused in both the private and international public sectors.

We are also increasing the transparency and oversight of charities through multilateral efforts. In addition to working with FATF, we are working bilaterally with many countries to ensure transparency in charitable operations. Saudi Arabia and Kuwait have announced the establishment of oversight authorities for charities in their respective countries. We are confident that our work bilaterally and through FATF on this issue will prompt other countries to adopt competent authorities to protect charities from terrorist abuse.

3. Hiding Behind Front Companies and Businesses

In addition to abusing charities as a means of terrorist financing, supporters of terrorist groups create front businesses and corporations, transfer funds between them, and "layer" the financial transactions to avoid detection. Seemingly legitimate businesses have been used by terrorists and their supporters as "fronts" to disguise a variety of criminal activities.

Terrorist supporters also corrupt otherwise legitimate companies to either raise or move funds for terrorists. Such activity, as with the abuse of charitable organizations, is particularly nefarious since this may occur without the knowledge of other shareholders, employees, or customers.

To date, the United States has taken strong action to shut down such front companies and businesses which have become corrupted by the influences of terrorist financiers and to strip away the otherwise legitimate holdings of those individuals who finance and abet terror. For example, we worked closely with our partners in the Caribbean and Europe for nearly a year to unearth the insidious network of financial houses and investment firms used by the European and Caribbean-based al Qaida supporters, Youssef Nada and Ahmed Idris Nasreddin. These companies were then publicly designated, shut down, and acted against by the United Nations for their ties to al Qaida in a joint action between the U.S., Italy, Switzerland, Luxembourg, and the Bahamas. We have also publicly designated a network of honey shops and bakeries in Yemen that funded al Qaida's operations as well as the front companies for the European-based al Qaida supporter, Mamoun Darkanzali.

We continue to monitor, analyze, and investigate the links between businesses, in the United States and elsewhere, and terrorist groups. Using Bank Secrecy Act data and analysis provided by the Financial Crimes Enforcement Network (FinCEN) and other relevant law enforcement resources, we are able to target suspicious business activities and anomalous transactions. This type of methodical investigative and analytical work will continue to uncover networks of businesses used to generate and funnel money to terrorist groups.

4. Exploiting Hawalas and Other Informal Value Transfer Systems

Terrorists have also used informal value transfer systems such as *hawala* as a means of terrorist financing. The word "*hawala*" (meaning "trust") refers to a fast and cost-effective method for the worldwide remittance of money or value, particularly for persons who may be outside the reach of the traditional financial sector. While it is difficult to measure accurately the total volume of financial activity associated with the system, it is estimated that, at a minimum, tens of billions of dollars flow through *hawalas* and other informal value transfer systems on an annual basis.

The danger is that some of the features which make *hawalas* attractive to legitimate customers -- efficiency, reliable access to remote or under-developed regions, potential anonymity, and low cost -- also make the system attractive for the transfer of illicit or terrorist-destined funds.

The terrorist events of September 11th have brought into focus the ease with which informal value transfer systems may be utilized to conceal and transfer illicit funds and have prompted numerous studies of this financing mechanism. Not surprisingly, concerns in this area have led many nations to reexamine their regulatory policies and practices in regard to *hawalas* and other informal value transfer systems.

The United States has already taken steps to regulate *hawalas* and informal value transfer systems. The PATRIOT Act requires money remitters (informal or otherwise) to register as "money services businesses" or "MSBs", thereby subjecting them to existing money laundering and terrorist financing regulations, including customer identification, record keeping and suspicious transaction reporting requirements. Well over 14,000 money service businesses have registered with the federal government and are now

required to report suspicious activities. In order to increase awareness within the diverse MSB community nationwide about their obligations under the MSB rules, FinCEN plans to conduct an outreach campaign to include advertising, community outreach and the distribution of educational materials.

We have succeeded in disrupting the operations of several illegal money remitters implicated in terrorist financing. On November 7, 2001, the Treasury Department blocked the assets of the al-Barakaat network, which was a global money remitting company being used by Usama bin Laden to support terrorist activities. Though the operations of al-Barakaat in the United States relied on traditional banking systems, internationally it operated as a hawala network that allowed for funds to be funneled into Somalia through Dubai. This hawala network was not only used to finance bin Laden's organization, but also to provide logistical support for his network. We have conservatively estimated that tens of millions of dollars flowed through the Barakaat network annually, a portion of which was siphoned off to terrorist organizations. Beyond simply freezing terrorist assets, our designation action against the Barakaat network, combined with the actions of the UN and cooperating countries, shut down a considerable pipeline of terrorist financing by putting this network out of business.

Success in Separating Terrorists from their Funding Sources

The international efforts led by the U.S. government have produced considerable results. To date, 281 names of persons or entities have been designated by the US under Executive Order 13224. As a result of international cooperation since September 11, 2001, over $137 million has been blocked around the world (representing 688 accounts). Through extensive communication, cooperation and collaboration with the private sector

and the international community, and through the expansive tools provided by Congress in the the PATRIOT Act and other authorities, the interagency effort has identified, disrupted and dismantled high value terrorist financing networks used to support al Qaida and other terrorist organizations.

But this is not a box score game. Only a small measure of success in the campaign is counted in the dollars of frozen accounts. The larger balance is found in the wariness, caution, and apprehension of donors; in the renunciation of any immunity for fiduciaries and financial intermediaries who seek refuge in notions of benign neglect and discretion, rather than vigilance; in pipelines that have gone dry; in the ability to focus our resources on those avenues of last resort; and in the gnawing awareness on the part of those who bank terror that the symmetry of borderless war means that there is no place to hide the capital that underwrites terror.

Treasury's Tools to Combat Terrorist Financing: Attacking the Networks

A terrorist act doesn't occur because one person acting alone makes a little money and buys a bomb. Terrorism is an enterprise – scouting, recruiting, transporting, training, arming, targeting, conceal, executing, and escaping. It takes a great deal of money. Al-Qai'da paid the Taliban a $20 million tithe alone each year for their safe harbor in Afghanistan. Wherever possible, Treasury is focused on the extensive network required to underwrite the enterprise of terror with our eye towards "effects based targeting."

As time has passed, our knowledge of how terrorists fund their operations today has continued to develop and we are committed to continually reevaluating our tools, expertise and resources to reflect this more sophisticated understanding of the problem. For example, rather than designating all of the individual charities who may provide

support to the families of suicide bombers, the targets are the key international charities that fund them -- such as the Holy Land Foundation for Relief and Development, the Global Relief Foundation, the Benevolence International Foundation and, most recently, the al Aqsa Foundation – a few key targets that make it more difficult for all the others. Likewise, rather than just designating a terrorist organization, such as Jemaah Islamiya, we also designate key leaders who have control over financial operations and can direct the movement of money.

As we increase our understanding of networks and develop country-specific strategies – we are committed to using all tools available to us. One of the most powerful is Section 311 of the PATRIOT Act (31 U.S.C. § 5318A). Section 311 is the "smart bomb" of terrorist financing. Section 311 of the USA PATRIOT Act provides the Secretary of the Treasury with broad authority to identify foreign money laundering and terrorist financing threats and order U.S. financial institutions to take appropriate countermeasures against those threats. Threats can include foreign jurisdictions that lack an adequate anti-money laundering regime, individual foreign financial institutions that either knowingly or unwittingly support money laundering or the financing of terrorism, and classes of foreign accounts or transactions that pose a money laundering risk. Once the foreign jurisdiction, account, or transactions are designated by the Secretary to be a primary money laundering concern based on an appropriate factual record, the Secretary has the discretion to require U.S. financial institutions to take one or more special measures to minimize the threat. The special measures range from increased recordkeeping and recording obligations to cutting off the primary money laundering concern from the U.S. financial system. Thus, rather than freezing all accounts or

sanctioning an entire country, section 311 allows the U.S. government to strategically focus on one aspect of a foreign government's operations, the financial sector, and even to focus on one bank within that sector in order to impose measures that range from greater due diligence that will enable us to find and trace evidence of financial crimes to denial of all access to the U.S. financial system.

Designation under Executive Orders and 311 actions are just two of the tools available to the federal government. At an inter-agency level, much of the effort is overseen by a policy coordinating committee established by the National Security Council. As best as humanly possible, and surely we have feet of clay, we have one government, working in concert, fighting the campaign against terrorist financing. But the task remains daunting. Material issues that face us include a near-insatiable appetite for *actionable* intelligence, increasing demands by coalition partners to share that intelligence, and a chorus of competing voices that risk confusion of our message.

As I have just indicated, the predicate for everything we do is actionable intelligence. Owing to the foreign nature of the covered threats, the evidence supporting the designation of a primary money laundering concern will, in large part, be comprised of sensitive intelligence information, often classified and protected from disclosure to the public.

Conclusion

Much remains to be done. We will continue to use every tool of diplomacy, regulation, law enforcement, and intelligence to attack terrorist financing on all fronts. Many of our efforts, past and ongoing, cannot responsibly be discussed in an open

hearing. But I welcome this opportunity to seek your counsel in open session about how best to proceed. If we stop the money, we stop the killing.

Thank you.

Prepared Remarks
of
Larry A. Mefford
Federal Bureau of Investigation
Assistant Director
Counterterrorism Division
before the
United States Senate
Terrorism, Technology and Homeland Security Subcommittee
Washington, D.C.

June 26, 2003

Good afternoon, Senator Kyl and other members of the Subcommittee. Thank you for inviting me here today to testify regarding the state of the terrorist threat to the United States. The Subcommittee's work in this area is an important part of improving the security of our Nation. The Federal Bureau of Investigation greatly appreciates your leadership, and that of your colleagues in other committees dealing with the security of our country. I would like to briefly discuss for the Subcommittee the FBI's assessment of the current threats facing the United States.

First, let me emphasize the commitment of the FBI to investigating and disrupting terrorist activity both in this country and against U.S. interests overseas. There is no more important mission within the FBI. We are dedicating tremendous resources to this effort and will continue to do so as long as the threat exists.

Since September 11, 2001, the FBI has investigated more than 4,000 terrorist threats to the U.S. and the number of active FBI investigations into potential terrorist activity has quadrupled . Working with our partners in local and state law enforcement and with the U.S. Intelligence community, we have also disrupted terrorist activities in over 35 instances inside the United States since September 11, 2001. These include both domestic and international terrorism matters and consist of a variety of preventive actions, including arrests, seizure of funds, and disruption of recruiting and training efforts. No threat or investigative lead goes unanswered

today. At headquarters, in our field offices, and through our offices overseas, we run every lead to ground until we either find evidence of terrorist activity, which we pursue, or determine that the information is not substantiated. While we have disrupted terrorist plots since 9/11, we remain constantly vigilant as a result of the ongoing nature of the threat. The greatest danger to our safety and security comes not from what we know and can prevent, but from what we do not know.

We know this: The Al Qaeda terrorist network remains the most serious threat to U.S. interests both here and overseas. That network includes groups committed to the "international jihad movement," and it has demonstrated the ability to survive setbacks. Since September 11, 2001, we believe that Al Qaeda has been involved in at least twelve terrorist attacks against the United States and our allies around the world. This fact requires that we continue to work closely with our partners to fight Al-Qaeda in all its forms both here and overseas.

On March 1, 2003, counterterrorism forces in Pakistan captured Al Qaeda operational commander Khalid Shaikh Mohammed and financier Mustafa Ahmed al-Hawsawi. In early 2002, another high ranking Al Qaeda operational commander, Mohamed Atef, was killed in a U.S. bombing raid. Many more suspected Al Qaeda operatives have been arrested in the United States and abroad.

Despite these strikes against the leadership of Al Qaeda, it remains a potent, highly capable and extremely dangerous terrorist network -- the number one terrorist threat to the U.S. today. The very recent attacks in Riyadh, Saudi Arabia and in Casablanca, Morocco -- which we believe to be either sponsored or inspired by Al Qaeda – clearly demonstrate that network's continued ability to kill and injure innocent, unsuspecting victims.

In Riyadh on May 12, 2003, the simultaneous strikes on three foreign compounds were carried out by 12 to 15 individuals, nine of whom were suicide bombers. The overall death toll rose to 34, including at least seven Americans and the nine attackers. Nearly 200 people were wounded. Forty of those were Americans.

In Casablanca on May 16, 2003, as many as 12 suicide bombers orchestrated the simultaneous bombing of 5 targets. A targeted Jewish center was closed and unoccupied when one of the bombs was detonated. The deadliest attack occurred inside a Spanish restaurant where 19 were killed. Outside one targeted hotel, a

security guard and a bellboy scuffled with bombers intent on entering the hotel. They prevented them from entering but lost their lives, along with those of their terrorist attackers, when the bombs were detonated outside. The terrorists even targeted a Jewish cemetery.

We know that the Al Qaeda network maintains a presence in dozens of countries around the world, including the United States. Audiotaped messages released in early October 2002 from Usama bin Laden and his senior deputy, Ayman al-Zawahiri, urged renewed attacks on U.S. and Western interests. Intelligence analysis indicates that subsequent attacks against Western targets may have been carried out in response to these audiotaped appeals that were broadcast on the al-Jazeera network beginning on October 6, 2002.

Two subsequent audiotapes attributed to bin Laden, released on February 11 and February 14, 2003, linked a call for terrorist attacks against Western targets with the pending war in Iraq. In the latter of these audiotaped messages, bin Laden appeared to express his desire to die in an attack against the United States. The most recent audio tape attributed to bin Laden, released on April 9, 2003, urged jihadists to carry out suicide attacks against those countries supporting the war in Iraq. And while individual suicide attacks have the potential to cause significant destruction and loss of life, we remain concerned about Al Qaeda's ability to mount simultaneous and large-scale terrorist attacks.

While large-scale, coordinated attacks remain an Al Qaeda objective, disruptions to the network's command and logistics structures during the past 20 months increase the possibility that operatives will attempt to carry out smaller scale, random attacks, as evidenced by Richard Reid's failed attempt to detonate a shoe-bomb on board a trans-Atlantic flight in December 2001. Such attacks, particularly against softer or lightly secured targets, may be easier to execute and less likely to require centralized control. We remain vigilant to the ability and willingness of individual terrorists, acting on their own in the name of "jihad", to carry out random acts of terror wherever and whenever they can.

We also know that jihadists tend to focus on returning to "unfinished projects," such as the destruction of the World Trade Center and attacks on U.S. Navy vessels. Consequently, a continuing threat exists to high profile targets previously selected by Al Qaeda. These include high profile government buildings, and encompass the

possibility of more terrorist attacks on major U.S. cities and infrastructures. While we know that Al Qaeda has focused on attacks that have economic impact, we believe that its goals still include the infliction of mass casualties.

As I mentioned earlier, we have made significant progress in disrupting terrorist activities and planning; and this includes Islamic extremist activities within the United States. For example:

- Between October 3, 2002, and May 2, 2003, six men and one woman were indicted in Portland, Oregon, for conspiracy to levy war against the United States, conspiracy to provide material support and resources to a terrorist organization, and conspiracy to contribute services to Al Qaeda and the Taliban. Six of the individuals have been arrested. The seventh remains at large.

- On September 13, 2002, five members of a suspected Al Qaeda cell were arrested in Lackawanna, New York. They were charged with "providing, attempting to provide, and conspiring to provide material support and resources to a designated foreign terrorist organization." In addition, a sixth member was rendered to the United States from Bahrain in mid-September 2002, pursuant to an arrest warrant, and was charged with providing material support to Al-Qaeda.

  - FBI information indicates that in the spring and summer of 2001, these subjects attended religious Tablighi Jamaat training in Pakistan. They also attended an Al Qaeda training camp in Afghanistan where they received training in mountain climbing, and were instructed in the use of firearms, including assault rifles, handguns, and long range rifles. During their training, Usama bin Laden visited the camp and gave a speech to all of the trainees. At the guest houses where members stayed, some received lectures on jihad and justification for using suicide as an operational tactic.

  - All six defendants have pled guilty to providing material support to Al Qaeda.

- On December 22, 2001, Richard C. Reid was arrested after flight attendants on American Airlines Flight 63 observed him attempting to ignite an improvised explosive in his sneakers while onboard the Paris-to-Miami flight. Aided by passengers, the attendants overpowered and subdued Reid. The flight was diverted to Logan International Airport in Boston, Massachusetts. Reid, who was traveling on a valid British passport, was indicted on eight counts, including placing an explosive device on an aircraft and attempted murder.

  - FBI investigation has determined that the explosives in Reid's shoes, if detonated in certain areas of the passenger cabin, could have blown a hole in the fuselage of the aircraft.

  - Reid's indictment charged that he, too, trained in camps operated by Al-Qaeda. Investigators continue to work to determine the extent of Reid's possible links to others in this plot.

  - On October 4, 2002, Reid pled guilty to all of the counts against him. On January 30, 2003, he was sentenced to life in prison.

- On December 11, 2001, Zacarias Moussaoui was indicted in the Eastern District of Virginia for his alleged role in the September 11, 2001 attacks on the World Trade Center and Pentagon. Moussaoui is charged with six counts, including conspiracy to commit an act of terrorism transcending national boundaries and conspiracy to use a weapon of mass destruction. He is awaiting trial.

- Last week, the Attorney General announced the guilty plea of Imyan Faris, an Ohio truck driver, who -- as a key operative for Al Qaeda -- conspired to provide, and did in fact provide, material support to a terrorist organization. We believe he was tasked by Al Qaeda to assist in the identification of possible terrorist targets inside the United States and provided other logistical support to that organization.

- On Monday of this week, Ali Saleh Kahlah al-Marri, was designated an enemy combatant and transferred to the control of the Department of Defense. Al-Marri is a Qatari national who was initially arrested on a material witness warrant following the September 11 attacks. He was subsequently indicted for

credit card fraud and making false statements. Recent information from an Al Qaeda detainee identified Al-Marri as an Al Qaeda "sleeper" operative who was tasked with providing support to newly arriving Al Qaeda operatives inside the U.S. Two separate Al Qaeda detainees have confirmed that Al-Marri has been to Al Qaeda's Farook camp in Afghanistan where he pledged his service to bin Laden. The decision to designate Al-Marri as an enemy combatant has disrupted his involvement in terrorist planning and taken another Al Qaeda operative out of action.

- The FBI is also actively looking for suspected Al Qaeda operative Adnan G. El Shukrijumah. El Shukrijumah has been identified by detainees as a key Al Qaeda operative who was sent to the United States to plan and carry out acts of terrorism against the U.S. El Shukrijumah was in the United States prior to September 11th and his current whereabouts are unknown. The FBI has put out a "be on the look out" alert to law enforcement both inside the U.S. and overseas to locate and interview him regarding these reports.

Additionally, the FBI has aggressively pursued the individuals and networks that provide financing for terrorism worldwide. Since September 11, 2001, our Terrorist Financing Operations Section (TFOS) has been involved in the financial investigations of over 3,195 individuals and groups suspected in financially supporting terrorist organizations. The FBI has also worked closely with the Treasury Department in developing targets for designation and blocking orders. This has resulted in the terrorist designation of some 250 individuals or entities by Executive Order, and the blocking or freezing of approximately $124.5 million in assets since September 11, 2001.

As I said at the outset, finding and rooting out Al Qaeda members and adherents, once they have entered the U.S., is our most serious intelligence and law enforcement challenge. In addition to our focus on identifying individuals directly involved in launching terrorist attacks, we are also very concerned with identifying and locating persons engaged in terrorist support activities, such as fund raising, recruiting, training and other logistical responsibilities. This is very important since these individuals are vital to the operations of terrorist networks. We also remain deeply concerned about Al Qaeda's efforts to recruit U.S. citizens to support its terrorist goals and, perhaps, to carry out attacks on American soil.

Al Qaeda is not our only concern. We know that many Islamic extremists are tied to terrorist activities. Islamic Shiite extremists, represented by such groups as Hizballah, have been launching terrorist attacks against the U.S. and its allies for more than twenty years. Islamic Sunni extremism, spearheaded by Al Qaeda, but which also includes HAMAS and other groups, continue to inflict casualties on innocent people worldwide. Hizballah and HAMAS in particular, also maintain a sizable presence in the U.S. While the activities of these U.S. cells have not involved actual attacks within the United States, we know that Hizballah and HAMAS have been involved in activities that support terrorism, such as fund-raising, recruiting and spreading propaganda inside our country. Since they have been responsible for the deaths of Americans and our allies overseas, we continue to be concerned about their activities.

In conclusion, the United States faces threats from a wide range of international terrorist groups, although we assess Al Qaeda to be the greatest threat today. Their potential attacks could be large-scale, or smaller and more isolated. Since our understanding of terrorist groups and the underlying philosophy behind these movements continue to develop, the FBI's assessment of the overall threat continues to evolve. We remain, however, concerned about Al Qaeda's efforts to launch another major attack inside the U.S. Consequently, we continually work with the U.S. intelligence community and our foreign partners to assess Al Qaeda's intentions and capabilities, including their use of weapons of mass destruction in future attack scenarios.

That is why we remain as focused as we are on detecting and preventing terrorism. We will not stray from this purpose and will work closely with State and Local law enforcement and other federal agencies to improve our preventive capabilities. We sincerely appreciate your guidance and support as we carry out our mission.

I would be happy to answer any questions you may have to the extent I am able.

WAHHABISM AND ISLAM IN THE U.S.

Testimony by Stephen Schwartz
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Foundation for the Defense of Democracies

U.S. Senate Subcommittee on Terrorism, Technology and Homeland Security
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Members of the Senate, witnesses, spectators, ladies and gentlemen.

I come before this body today to describe how adherents of Wahhabism, the most extreme, separatist, and violent form of Islam, and the official sect in the kingdom of Saudi Arabia, have come to dominate Islam in the U.S.

Islam is a fairly new participant at the "big table" of American religions. The Muslim community only became a significant element in our country's life in the 1980s. Most "born Muslims," as opposed to those who "converted" – a term Muslims avoid, preferring "new Muslims" – had historically been immigrants from Pakistan and India who followed traditional, peaceful, mainstream Islam.

With the growth of the Islamic community in America, it was clear that there was no "Islamic establishment" in the U.S. – in contrast with Britain, France, and Germany, the main Western countries with significant Islamic minorities. The Wahhabi ideological structure in Saudi Arabia perceived this as an opportunity to fill a gap – to gain extraordinary influence over an Islamic community in the West that itself had immense potential for political and social influence.

This operation, which was largely successful, had multiple goals.

First, to gain control over a significant group of Muslim believers. Second, to use the Muslim community in the U.S. to influence U.S. government and media, in the formulation of policy and in perceptions, about Islam. This has included liaison meetings, "sensitivity" sessions and other public activities with high-level Administration officials, including the FBI Director, that we have seen since September 11th.

Third, to advance the overall Wahhabi agenda of "jihad against the world" – an extremist campaign to impose the Wahhabi dispensation on the global Islamic community, as well as to confront the other religions. This effort has included the

establishment in the U.S. of a base for funding, recruitment and strategic/tactical support of terror operations in the U.S. and abroad.

Wahhabi-Saudi policy has always been two-faced: that while Wahhabis preach hostility and violence against non-Wahhabi Muslims, they simultaneously maintain a policy of alliance with Western military powers – first Britain, then the U.S. and France – to assure their control over the Arabian Peninsula.

At the present time, Shia and other non-Wahhabi Muslim community leaders estimate that 80 percent of American mosques – out of a total ranging between an official estimate of 1,200 and an unofficial figure of 4-6,000 – are under Wahhabi control. This does not mean 80 percent of American Muslims support Wahhabism, although the main Wahhabi ideological agency in America, the so-called Council on American-Islamic Relations (CAIR) has claimed that some 70 percent of American Muslims want Wahhabi teaching in their mosques. This is, by the way, a claim I consider unfounded.

Rather, Wahhabi control over mosques means control of property, buildings, appointment of imams, training of imams, content of preaching – including faxing of Friday sermons from Riyadh, Saudi Arabia – and of literature distributed in mosques and mosque bookstores, notices on bulletin boards, and organizational and charitable solicitation. Similar influence includes prison and military chaplaincies, campus activity, endowment of academic chairs and programs in Middle East studies, and most notoriously, to charities ostensibly helping Muslims abroad, many of which have been linked to or designated as sponsors of terrorism.

The main organizations that have carried out this campaign are the Islamic Society of North America (ISNA), which originated in the Muslim Students' Association of the U.S. and Canada (MSA), and the Council on American-Islamic Relations (CAIR). Support activities have been provided by the American Muslim Council (AMC), the American Muslim Alliance (AMA), the Muslim American Society (MAS), the Graduate School of Islamic and Social Sciences, its sister body the International Institute of Islamic Thought, and a number of related groups that I have called "the Wahhabi lobby."

Both ISNA and CAIR, in particular, maintain open and close relations with the Saudi government – a unique situation, in that no other foreign government directly uses religion as a cover for its political activities in the U.S. For example, notwithstanding

support by the American Jewish community for the state of Israel, the government of Israel does not intervene in synagogue life or the activities of rabbinical or related religious bodies in America.

According to saudiembassy.net, the official website of the Saudi government, CAIR received $250,000 from the Islamic Development Bank, an official Saudi financial institution, in 1999, for the purchase of land in Washington, DC, to construct a headquarters facility.

ISNA operates at least 324 mosques in the U.S. through the North American Islamic Trust (NAIT).

In a particularly disturbing case, the Islamic Development bank also granted US$295,000 to the Masjid Bilal Islamic Center, USA, for the construction of Bilal Islamic Primary and Secondary School in California. Hassan Akbar, the American Muslim presently charged with the fatal attack on his fellow-soldiers in Kuwait during the Iraq War, was affiliated with this institution.

In addition, the previously-mentioned official website of the Saudi government has reported donations in 1995 of $4 million for the construction of a mosque complex in Los Angeles, named for Ibn Taymiyyah, a historic Islamic figure considered the forerunner of Wahhabism. It should be noted that Ibn Taymiyyah is considered a marginal, extremist, ideological personality by many traditional Muslims. The same website reported a donation of $6 million, also in 1995, for a mosque in Cincinnati, Ohio.

The website stated in 2000, "In the United States, the Kingdom has contributed to the establishment of the Islamic Center in Washington DC; the Omer Bin Al-Khattab Mosque in western Los Angeles, the Los Angeles Islamic Center, and the Fresno Mosque in California; the Islamic Center in Denver, Colorado; the Islamic center in Harrison, New York City; and the Islamic Center in Northern Virginia." (Direct quote)

How much money, in total, is involved in this effort?

If we accept the low figure of control, i.e. NAIT ownership of 27 percent of 1,200 mosques, as stated by CAIR and cited by Mary Jacoby and Graham Brink in the *St. Petersburg Times*, 3/11/2003, we have some 324 mosques.

If we assume a relatively low average of expenses, e.g. $.5m per mosque, we arrive at $162m.

But given that Saudi official sources show $6m in Cincinnati and $4m in Los Angeles, we should probably raise the average to $1m per mosque, resulting in $324m as a minimum.

A radical critic of Wahhabism stated some years ago that $25m had been spent on Islamic Centers in the U.S. by the Saudi authorities. This now seems a low figure.

Our view is that the number of mosques under Wahhabi control, number at least 600 out of 1,200. Shia community leaders endorse the figure of 80 percent Wahhabi control. CAIR itself claims that approximately 70 percent of Muslims want "Salafism" in their mosques. [We reject this claim.] But we also offer a number of 4-6,000 mosques overall, including small and diverse congregations of many kinds.

It should also be noted that these mosques work in close coordination with the Muslim World League (MWL) and the World Assembly of Muslim Youth (WAMY), Saudi state entities identified as participants in the funding of al-Qaida.

Wahhabi ideological control within Saudi Arabia is based on the historic compact of intermarriage between the family of the sect's originator, Ibn Abd al-Wahhab, and the family of the founding ruler, Ibn Sa'ud. To this day, these families divide governance of the kingdom, with the descendants of Ibn al-Wahhab, known as ahl al-Shaykh, responsible for religious life and the Saudi royal family, or ahl al-Sa'ud, running the state. The two families continue to marry their descendants to one another. The supreme religious leader of Saudi Arabia is a member of the family of Ibn al-Wahhab. The state appoints a minister of religious affairs who controls such bodies as the MWL and WAMY, and upon leaving his ministerial post becomes head of MWL.

The official Saudi embassy website reported exactly one year ago, on June 26, 2002, "The delegation of the Muslim World League (MWL) that is on a world tour promoting goodwill arrived in New York yesterday, and visited the Islamic Center there." The same website later reported, on July 8, 2002 "During a visit on Friday evening to the headquarters of the Council on American Islamic Relations (CAIR) [the Secretary General of the MWL] advocated coordination among Muslim organizations in the United States. Expressing MWL's readiness to offer assistance in the promotion and coordination of Islamic works, he announced plans to set up a commission for this

purpose. The MWL delegation also visited the Islamic Center in Washington DC and was briefed on its activities by its director Dr. Abdullah bin Mohammad Fowaj."

In a related matter, on June 22, 2003, in a letter to the *New York Post*, James Zogby, president of the Arab American Institute, a civic lobbying organization, stated that his attendance at a press conference of WAMY in Riyadh, Saudi Arabia, had been organized by the U.S. Embassy in the kingdom As documented by FDD and the Saudi Institute, WAMY teaches that Shia Muslims, including the followers of Khomeini, are Jewish agents. This is comparable to Nazi claims that Jewish employers were agents of the Communists or Milosevic's charge that Tito was an agent of the Vatican. The aim is to derange people, to separate them from reality completely, in preparation for massacres.

There is clearly a problem of Wahhabi/Saudi extremist influence in American Islam. Now is the time to face this problem squarely and find ways to enable and support traditional, mainstream American Muslims in taking their community back from these extremists, while employing law enforcement to interdict the growth of Wahhabism and its financial support by the Saudis. If we fail to do this, Wahhabi extremism continues to endanger the world – Muslims and non-Muslims alike.

Thank you for your attention.

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