



Summary Report

Initiatives and Actions in the Fight Against Terrorism August 2002

ROYAL EMBASSY OF SAUDI ARABIA

Information Office

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The Kingdom of Saudi Arabia Has Been at the Forefront of International Efforts to Fight Terrorism.

Following the horrific events of September 11, an international coalition composed of over 100 nations was formed to combat terrorism, and Saudi Arabia is a full partner in this coalition.

The Office of the Coordinator for Counter Terrorism released a report on May 21, 2002, called *Patterns of Global Terrorism* which stated: **The Saudi government reaffirmed its commitment to combat terrorism and respond positively to requests for concrete action in support of Coalition efforts against Al-Qaeda and the Taliban. The King, Crown Prince, government-appointed religious leaders and official news media publicly and consistently condemned terrorism.**

Since September 11, the government of Saudi Arabia has taken many actions to fight global terrorism. Following are concrete examples of these actions, followed by statements made by Saudi Arabian leaders, U.S. Administration officials, news articles and press releases confirming the efforts on the war on terrorism by the government of Saudi Arabia. This summary report covers:

International Cooperation	Page 3
Arrests and Questioning of Suspects	Page 4
Actions Taken With Regard to Charitable Organizations	Page 5
Freezing Terrorist Assets Suspected of Links to Terrorism	Page 6
Legal and Regulatory Actions to Combat Terrorism	Page 7

Further information can be found on www.saudiembassy.net.

“Any sane man who believes in God and understands the everlasting message of Islam, stands opposed to terrorism as a crime against all humanity. We in the Kingdom of Saudi Arabia are fully prepared to cooperate in every manner to bring about an end to the scourge of terrorism.”

Crown Prince Abdullah bin Abdulaziz, September 13, 2001

I. International Cooperation

Multilateral cooperation is essential to successfully defeating terrorism. Saudi Arabia is committed to working closely with the U.S., European and Asian governments to ensure that information is shared as quickly and effectively as possible.

Specific Actions:

Saudi Arabia and the United States maintain a Counter-Terrorism committee comprised of intelligence and law enforcement personnel who meet regularly to share information and resources and develop action plans to root out terrorist networks.

Saudi government departments and banks are encouraged to participate in international seminars, conferences and symposia on combating terrorist financing activities. Saudi Arabia is also a member of the GCC Financial Action Task Force (FATF).

The Saudi Arabian Monetary Authority (SAMA) exchanges information on money laundering related activities with other banking supervisory authorities and with law enforcement agencies. SAMA has also created a Committee to carry out a self-assessment for compliance with the recommendations of the FATF.

“After the 11th of September, we doubled our efforts, we worked in every way that we can, according to the means that we can, to exchange information, pursue those who are involved in terror, squeeze the resources that come to them. We have done everything that we can, to the satisfaction, may I say, of the United States government.”

HRH Prince Saud Al-Faisal, Foreign Minister, April 26, 2002

“I think we ve been quite clear about the support that Saudi Arabia has given to us in terms of being a strong friend and ally in the war against terrorism, that we ve been fully and very satisfied with the support we ve gotten from Saudi Arabia in the many aspects of this war against terrorism - the financial aspects, the intelligence and information-sharing, the law enforcement actions in doing that.”

Philip Reeker, Deputy Spokesperson, Department of State, August 15, 2002

II. Arrests and Questioning of Suspects

Saudi intelligence and law enforcement authorities have been working closely with the United States, Interpol and other countries to identify, question, and when appropriate, arrest suspects.

Specific Actions:

Saudi Arabia has questioned over 2,800 individuals. Many of these people fought in Afghanistan during the Soviet invasion as well as in Bosnia and Chechnya.

About 200 suspects are currently detained for questioning and interrogation.

Saudi intelligence and law enforcement agencies identified and arrested a cell composed of seven individuals linked to Al-Qaeda who were planning to carry out terrorist attacks against vital sites in the Kingdom. This cell was responsible for the attempt to shoot down American military planes at Prince Sultan Airbase using a shoulder-launched surface-to-air missile.

Saudi Arabia successfully negotiated with Iran for the extradition of 16 suspected Al-Qaeda members. These individuals are now in Saudi custody and are being questioned.

Any individuals convicted of wrongdoing will be quickly and severely punished.

Saudi Arabia asked Interpol to arrest 750 people, many of whom are suspected of money laundering, drug trafficking, and terror-related activities. This figure includes 214 Saudis whose names appear in Interpol's database and expatriates who fled Saudi Arabia.

“Iranian authorities handed over the Al-Qaeda fugitives, all Saudis, knowing that whatever intelligence was obtained from them during interrogation in Saudi Arabia would be passed on to the United States for use in the war against terrorism.”

HRH Prince Saud Al-Faisal, Foreign Minister, August 11, 2002

III. Actions Taken With Regard to Charitable Organizations

Charitable giving is an important part of Islam and there are thousands of legitimate charities throughout the Middle East. Unfortunately, some of these charities were infiltrated by criminal elements that were able to divert some of the funding whose objective was to help those in need to terror related activities.

Since September 11, Saudi Arabia has conducted a thorough review of its charitable organizations and has made a number of specific changes:

Specific Actions:

Since September 11, all charitable groups have been audited to assure that there are no links to suspected groups.

New guidelines and regulations have been put in place to ensure that terrorist organizations cannot take advantage of these charitable groups in the future. This includes financial control mechanisms.

Charitable activities that extend beyond Saudi Arabia must be reported to the Saudi government.

Saudi Arabia has worked with the United States and other nations to block more than \$70 million in suspected terrorist assets located in accounts throughout the world.

In cooperation with the US Treasury Department, Saudi Arabia blocked the accounts of the Somalia and Bosnia branches of the Saudi Arabia-based Al-Haramain Islamic Foundation. While the Saudi headquarters for this private charitable entity is dedicated to helping those in need, the U.S. and Saudi Arabia determined that the Somalia and Bosnia branches of Al-Haramain Foundation engaged in supporting terrorist activities and terrorist organizations such as Al-Qaeda, AIAI (al-Itihaad al-Islamiya), and others.

“We all agree that we have a responsibility to safeguard charities, so that we can assure people giving to charities that their donations will be used only for their intended good purposes. This joint designation marks a new level of coordination in the international cooperation that has characterized the fight against international terrorism to date. I thank the Saudi leadership for taking this step with us.”

Paul H. O’Neill, Secretary of the Treasury, March 11, 2002

IV. Freezing Terrorist Assets and Combating Money Laundering

Following the events of September 11, the Kingdom of Saudi Arabia took prompt action and required Saudi banks to identify and freeze all assets relating to terrorist suspects and entities. Saudi banks have not only complied with the freeze requirements but have also initiated investigations of transactions that suspects linked to Al-Qaeda may have undertaken in the past.

Specific Actions:

More than 150 bank accounts suspected to be linked to terrorists have been frozen.

Saudi Arabia helped identify a network of more than 50 shell companies that Osama bin Laden used to move money around the world. The companies were located in the Middle East, Europe, Asia and the Caribbean. A sophisticated financial network that weaved through more than 25 nations was uncovered. That network is virtually shut down.

Saudi Arabia joined the Finance Ministers and Central Bank Governors of the G-20 in order to develop an aggressive action plan directed at the routing out and freezing of terrorist assets worldwide. Saudi Arabia is proud to have been a leader in the development of this plan and its implementation — key objectives of both the U.S. and international policies for dealing with terrorism now, and in the future.

The Saudi Arabian Monetary Authority (SAMA) instructed Saudi banks to promptly establish a Supervisory Committee to closely monitor the threat posed by terrorism and to coordinate all efforts to freeze the assets of the identified individuals and entities. The Committee is composed of senior officers from banks responsible for Risk Control, Audit, Money-Laundering Units, Legal and Operations. The committee meets regularly in the presence of SAMA officials.

Saudi banks have put in place, at the level of their Chief Executive Officers, as well as at the level of the Supervisory Committee, mechanisms to respond to all relevant inquiries, both domestically and internationally. To ensure proper coordination and effective response, all Saudi banks route their responses and relevant information via SAMA.

V. Legal and Regulatory Actions to Combat Terrorism

The Kingdom has a strong regulatory and supervisory framework for banking and financial services, which ensures that banks and other financial service providers remain vigilant, but also have internal procedures to not only know the identity of their customers, but also an awareness of their activities and transactions.

Specific Actions:

To further strengthen and implement the current regulations, the Ministry of Commerce issued Regulation #1312 aimed at preventing and combating money laundering in the non-financial sector. These regulations are aimed at manufacturing and trading sectors and also cover professional services such as accounting, legal and consultancy services.

The Saudi Government has also taken concrete steps to create an institutional framework for combating money laundering. This includes the establishment of Anti-Money Laundering units, with a trained and dedicated specialist staff. These units work with SAMA and law enforcement agencies. The government has also encouraged banks to bring Money-Laundering related experiences to the notice of various bank committees (Chief Operations Officers, Managing Directors, Fraud Committee, etc.) for exchange of information and joint actions.

Another major institutional initiative is the creation of a specialized Financial Intelligence Unit (FIU) in the Security and Drug Control Department of the Ministry of Interior. This unit is specially tasked with handling money-laundering cases.

Saudi Arabia carries out regular inspection of banks to ensure compliance with laws and regulations. Any violation or non-compliance is cause for serious actions and is referred to a bank's senior management and the Board. Furthermore, the government has created a permanent Committee of Banks' compliance officers to review regulations and guidelines and recommend improvements, and to ensure all implementation issues are resolved.

Saudi authorities have made significant efforts to train staff in financial institutions and the Security and Investigation departments in the Ministry of Interior as well as others involved in compliance and law. Special training programs have been developed for bankers, prosecutors, judges, customs officers and other officials from government departments and agencies. Furthermore, training programs are offered by the Prince Naif Security Academy, King Fahd Security Faculty and Public Security Training City.

Other Initiatives Related to Fighting Terrorism

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

Saudi Arabia has signed a multilateral agreement under the auspices of the Arab League to fight terrorism.

The Kingdom has signed various bilateral agreements with non-Arab countries.

The Kingdom has supported the requirements of various UN resolutions related to combating terrorism. It has also supported and implemented the most recent Resolution No. 1368 dated 12 September, 2001 related to the financing of terrorist activities.

“As we ve said many times in the past, we ve been very pleased with the level of Saudi cooperation in the international campaign against terrorism.”

Philip Reeker, Deputy Spokesman, Department of State, August 12, 2002

**COMMENTS MADE BY U.S. ADMINISTRATION OFFICIALS REGARDING SAUDI ARABIA'S
HIGH LEVEL OF COOPERATION
FROM 9/11/2001 — 8/15/2002**

President George W. Bush

“As far as the Saudi Arabians go ... they've been nothing but cooperative.”

- September 24, 2001

“I also appreciated the Crown Prince's assurance that Saudi Arabia condemns terror.”

- April 26, 2002

“He's [Crown Prince] been very strong about condemning those who committed those murders. Right after 9/11, he was one of the strongest voices of condemnation.”

- April 26, 2002

Vice President Richard B. Cheney

“I think it's important first of all to recognize that we've had a very good relationship with the Saudis now for about 60 years. ...Certainly, the Saudi government had absolutely nothing to do with the events of 9/11.”

- August 7, 2002

Secretary of State Colin Powell

“The Saudis have been responsive on all of the things that we have asked them to do.”

- October 31, 2001

“Saudi Arabia has been prominent among the countries acting against the accounts of terrorist organizations ... and I am delighted that Saudi Arabia ...has just ratified the International Convention for the Suppression of the Financing of Terrorism.”

- November 7, 2001

“The Saudis have been good hosts and our troops have been good guests. I know that Secretary Rumsfeld is constantly looking at the footprint of what forces we have out there, but in my conversations with the Saudi leaders, ...just about four of five days ago with Prince Saud, I've had no suggestions from them that [they] were about to ask us to leave.”

- January 20, 2002

Secretary of the Treasury Paul H. O'Neill

“The Saudis have been very responsive to our ...requests.”

- November 7, 2001

Secretary of Defense Donald Rumsfeld

“They [Saudi Arabia] have been cooperative. We have troops there. We have bases there. We are currently using that facility for some of the responsibilities we had for the United Nations to fly with coalition forces in Operation Southern Watch in Iraq.”

- April 26, 2002

“We have had a long, close relationship with Saudi Arabia.”

- August 7, 2002

Defense Department

“Secretary Rumsfeld was very pleased and appreciative of the agreement on the part of the Saudis to provide assistance.”

- Rear Admiral Craig Quigley on October 4, 2001

“We have a very good relationship with the Saudis, we will continue to work with them in as a cooperative fashion as possible as we go forward.”

- Victoria Clarke on January 18, 2002

“Saudi Arabia is a long-standing friend and ally of the United States. The Saudis cooperate fully in the global war on terrorism and have the Department's and the Administration's deep appreciation.”

- Victoria Clarke on August 6, 2002

Department of State

“We re very satisfied with Saudi cooperation. They ve been with us in many areas of this coalition and many of the steps that need to be taken. You know, they ve helped to isolate the Taliban diplomatically. They ve worked with us on a number of military requests that we ve had. And we re working together in the financial area as well. So we re very satisfied with the cooperation. We ve found that they ve been together on everything we ve asked.”

-Richard Boucher on October 11, 2001

“We are very satisfied with our cooperation with Saudi Arabia. They ve agreed to everything we ve asked of them in our campaign against terrorism.”

-Philip Reeker on October 15, 2001

“I think we ve continued to have very good cooperation, to be fully satisfied with Saudi Arabia as we work together on the important financial aspect of the war against terrorism.”

-Philip Reeker on April 3, 2002

“I m very satisfied that the Saudi government is doing everything that we ve asked them to do in regard to the campaign against terrorism.”

-Francis X. Taylor on April 22, 2002

“We have been very satisfied with Saudi cooperation, a wide variety of areas, whether it s financial or law enforcement or other matters.”

-Richard Boucher on June 18, 2002

“The United States and Saudi Arabia enjoy excellent relations. We share a broad array of interests, including a common vision of peace, stability and prosperity in the region. We re pleased that we ve been able to expand this relationship to include common efforts against the threat of international terrorism. The Saudi government has cooperated in the international campaign against terrorism, and we welcome steps taken by Saudi Arabia to help combat the problem of terrorism financing, an important aspect of our war on terrorism globally.”

-Philip Reeker on August 6, 2002

“Again, as we ve said many times, U.S.-Saudi counterterrorism cooperation has been very solid, and we have every expectation to believe that that will continue.”

-Philip Reeker on August 12, 2002

“I think we ve been quite clear about the support that Saudi Arabia has given to us in terms of being a strong friend and ally in the war against terrorism, that we ve been fully and very satisfied with the support we ve gotten from Saudi Arabia in the many aspects of this war against terrorism - the financial aspects, the intelligence and information-sharing, the law enforcement actions in doing that.”

-Philip Reeker on August 15, 2002

White House

“Saudi Arabia has been helpful across the board in areas dealing with financing [and] the President is very pleased with the cooperation of the Saudi government.”

-Ari Fleischer on November 19, 2001

“The President believes the current arrangements are working and working well. (Bush) thanked Saudi Arabia for their friendship, cooperation and help and emphasized the mutual goal of bringing peace to the Middle East.”

-Ari Fleischer on January 18, 2002

“We re going to continue to work cooperatively with the Saudis on a host of issues. The Saudi cooperation has been strong and we ll continue to work with them.”

-Ari Fleischer on June 19, 2002

“Saudi Arabia is a long-standing friend and a long-standing ally... We very much appreciate the way they are cooperating in the global war against terrorism.”

-Scott McClellan on August 6, 2002

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