

## The Saudi Accountability Act of 2005: Adventures in Resurrecting Flawed Legislation

### Questions and Answers

*The Weekly Standard and Zionist Organization of America (WZO) have been unable to contain their glee: The Saudi Accountability Act of 2004 has been resurrected. The Saudi Arabia Accountability Act of 2005 is shambling through Congress once again like an indestructible "B movie" zombie.*

*WZO president Mort Klein trumpeted: "We applaud Sen. Specter for deciding to hold these important hearings investigating the promotion of international terrorism by Saudi Arabia. We, at ZOA, are proud to have been able to assist in this critical effort." Stephen Schwartz, of the Weekly Standard touts the solid foundations of the Act, "The legislation is concise. The bill's text stands as an indictment of Saudi Arabia, since it is mainly an inventory of evidence against the kingdom and the role of its rulers in enabling terrorism." But what is the evidence? And what would the bill accomplish if it becomes US law?*

*Americans who are troubled by past attempts of fringe lobbies to railroad major Middle East policy legislation have many questions about the Accountability Act, its evidence, and authors. IRmep's phone has been ringing off the hook with questions about the 2005 Act as observers and stakeholders review the Internet's most consulted report on the subject "Accountability Act or US Job Elimination Act?" The following Q & A discusses the underlying problems with the "evidence" cited in the legislation, and the ulterior motives of its sponsors.*

**Question:** Is this the first time an Accountability Act bill has been proposed?

**IRmep:** No, this is the second time; the first Act was in 2004. Saudi Accountability Acts are becoming as perennial in Congress as calls for official recognition of Jerusalem as the capital of Israel.

**Question:** Who are the Senate sponsors of the legislation?

**IRmep:** We playfully nickname them the "Million Dollar Club" and they have much in common. None of their states have a heavy economic relationship with Saudi Arabia, or the rest of the Arab market in terms of exports. All, without exception, are among the top tier recipients of Israeli AstroTurf PAC money campaign contributions<sup>1</sup> (see \$ figure). The sponsors of the 2005 version of the bill are Arlen Specter (R-PA, \$461,973), Evan Bayh (D-IN, \$81,750), Susan Collins – (R-ME, \$9,000), Tim Johnson (D-SD \$159,837), Patty Murray (D-WA, \$146,293), Russ Feingold (D-WI \$123,310), and Ron Ryden, (D-OR, \$255,562). We could even refer them the "\$1.2" million dollar club for the total special interest contributions they've taken in.

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**Question:** What are the problems the legislation seeks to address?

**IRmep:** The 2004 and 2005 Acts state similar goals. "To halt Saudi support for institutions that fund, train, incite, encourage, or in any other way aid and abet terrorism, and to secure full Saudi cooperation in the investigation of terrorist incidents". Unfortunately, both bills fail to present any compelling hard evidence of sources of Saudi funding for terrorism. And both bills would essentially drive a wedge between the US and Saudi Arabia in spite of cooperation and progress on the larger global issues it seeks to remedy.

**Question:** What is some of the core evidence in the bill, and what's wrong with it?

**IRmep:** The "findings" in the legislation have one of three characteristics: 1) They are out of date 2) They reference questionable sources rather than legitimate centers of research for their data. 3) They rely too much on "confidential sources".

Let's look at a few. Section 2, the "findings" section of the legislation states: "In a June 2004 report entitled 'Update on the Global Campaign Against Terrorist Financing', the Council on Foreign Relations reported that 'we find it regrettable and unacceptable that since September 11, 2001, we know of not a single Saudi donor of funds to terrorist groups who has been publicly punished.'"

Although it doesn't state it explicitly, the context and assumption of the CFR reference "finding" is that Saudi donors funded the 9/11 attacks, and haven't been punished for it. This is the worse kind of fallacy of interrogation. The presupposition that the 9/11 Al Qaeda attacks were funded in any way by Saudis has not been substantiated. According to the most cited source on terrorism financing, the **National Commission on Terrorist Attacks upon the US, Monograph on Terrorist Financing**<sup>ii</sup> there are clear flows between the hijackers and Al Qaeda international bank accounts.....in United Arab Emirates. But the report clearly states that "there is no evidence that any government funded the 9/11 plot in whole or in part".<sup>iii</sup> Nor are there ties to Saudi Donors.

**Question:** What is an example of an outdated finding?

**IRmep:** Many of the 2005 findings were out of date when they first appeared in 2004, yet they appear again in the 2005 Act. For example, David Aufhauser, the secretary of Treasury made statements giving kudos about the amount of cooperation and anti money-laundering enforcement in Saudi Arabia on Capitol Hill in January 23, 2004. But the 2005 Act "findings" still quote earlier year 2003 Aufhauser comments speculating about whether Saudi Arabia could be some sort of "epicenter" of activity. So we've got temporal cherry picking and selective use of evidence to support the "findings".

**Question:** What are examples of "Questionable Sources?"

**IRmep:** There are references to anonymous Israeli and American intelligence sources in the New York Times. We live in a post-Judith Miller world now. Anonymous sources with potentially questionable motives just don't cut it any more as a foundation for serious policy making. The questionable source is the Middle East Media Research Center or MEMRI. This is a non-profit headed up by Yigal Carmen, former Israeli Intelligence agent, that cherry picks and distributes English translations of the most rabid articles from the Arab press and spreads it through the US news media and Congress if it sees an advantage for Israel. Given the bias of its translations, and continuing

connections to Israeli intelligence which has its own objectives, no one should consider this adjunct organization to be a reliable source for US policy making.<sup>iv</sup> Yet it is cited as the primary source of evidence that "Saudi Arabia has funneled \$4 billion to Palestinian Groups fighting Israel."

**Exhibit 1: Key Findings & Sources of the Saudi Arabia Accountability Act of 2005**

(Source: IRmep – November, 2005)

Section 2. "Findings"	Source	Problem
"The Council on Foreign Relations concluded in an October 2002 report on terrorist financing that 'for years, individuals and charities based in Saudi Arabia have been the most important source of funds for al-Qaeda, and for years, Saudi officials have turned a blind eye to the problem.'"	Report from the Council on Foreign Relations titled "Terrorist Financing", chaired by Maurice Greenberg.	<u>Suspect Source</u> The "report" is an opinion piece, and no hard evidence is presented to support the cited claim. Maurice Greenberg, forced to step down from AIG in March of 2005 for allegedly inflating AIG's financial statements by \$1.7 billion, does not have the credibility to author a serious report on terrorism financing.
"The Council on Foreign Relations concluded in an October 2002 report on terrorist financing that 'for years, individuals and charities based in Saudi Arabia have been the most important source of funds for al-Qaeda, and for years, Saudi officials have turned a blind eye to the problem.'"	Report from the Council on Foreign Relations titled "Update on the Global Campaign against Terrorist Financing"	<u>Accusations rather than Evidence</u> Lack of prosecution is not evidence of culpability. Far from being "evidence" this statement equally supports that possibility that no Saudi has contributed funds to terrorism.
Paraphrase of Aufhauser stating that Saudi Arabia is an "epicenter" of financing for terrorism.	David Aufhauser, General Counsel of the Treasury Department statements during July, 2003 hearings.	<u>Out of Date</u> Aufhauser gave Capital Hill testimony on January 23, 2004 touting the country as pursuing a "litany" of charities oversight, oversight of cross border flows, anti money laundering controls. Stated the US is too "Saudi Centric" whereas terror financing is "Global". <sup>v</sup>
Citing "US and Israeli sources", reported on 8/17/2003 that at least 50% of the current operating budget of Hamas comes from "people in Saudi Arabia"	The New York Times, citing <b>anonymous sources</b> in the article "Flow of Saudis' Cash to Hamas Is Scrutinized" <sup>vi</sup>	<u>Questionable Anonymous Sources</u> Iraqi dissident Ahmed Chalabi dispensed anonymous WMD disinformation through the New York Times to motivate the US invasion of Iraq. <b>Anonymous</b> sources in the Times are no longer sufficient evidence for serious policy making.

Even the seemingly credible reports cited have problems. If you wanted to publish a respectable report about terrorism financing, would you chair the study group with the head of an insurance group ousted for financial improprieties? Probably not. But the Council on Foreign Relations study, titled "Terrorist Financing" was chaired by the former chair of AIG Maurice Greenberg, who was forced to step down after it was revealed that he allegedly cooked the books at his own company.

**Question:** What are the main differences between the Saudi Accountability Act of 2003 and the Saudi Accountability Act of 2004?

**IRmep:** The Act of 2005 goes off on a new, weird tangent about alleged Saudi propagation of "hate literature" in the US citing a "Freedom House" report. IRmep sent a delegate to the American Enterprise Institute on January 28, 2005 to view the report debut. The "expert panel" was completely incapable of any showing evidence of the tie between admittedly exclusionary print religious material and acts of violence in the US.

James Woolsey, the former CIA director now Head of Freedom House and director of consulting firm Booz Allen in Virginia attempted to describe the impact of Wahhabi Islamic texts in a way pious Christians could understand. It would be the equivalent of the US government modifying the Lord's Prayer to read "Give us this day, our daily bread, except for Muslims" and distributing printed copies to churches across the globe, stated Woolsey theatrically. See our ThinkTank Watch summary at: "The Wahabbis are Coming!" ([http://www.irmep.org/Tank\\_Watch.htm](http://www.irmep.org/Tank_Watch.htm)).

**Question:** What remedies does the legislation propose?

**IRmep:** The remedies are interesting. Although the findings have a hard time putting forth any hard evidence, the bill recommends the Saudi Government close "all charities that fund, train, incite, encourage, or in any other way aid and abet terrorism anywhere in the world (hereafter in the Act referred to as 'Saudi-based terror organizations)."

So here again, we have this accusatory, yet eerily evidence free demand. We should almost rename this the, "have you stopped beating your wife yet?" Act of 2005. If we did have all of these Saudi charities running terrorism camps and financing them, we'd like to think the framers of this bill could name at least one.

If the bill becomes legislation, the president would have the option of restricting a range of highly replaceable US exports and enforcing a 25 mile radius on Saudi movement in the US. As we mentioned in our 2004 report, passing this Act, or later imposing sanctions on Saudi Arabia, would likely backfire, as the framers no doubt well understand.

**Question:** How would it backfire? Through an oil embargo?

**IRmep:** No, oil is a fungible commodity. The problem is the "unsuspecting customer" vs "ornery store clerk" scenario. Would you continue to shop at a high-end retailer that employed rude clerks that hurled accusations and insults at you? No, you'd take your business elsewhere.

This is the most likely reaction of Saudi industrial buyers and government procurement, through a slow down in the purchase of American goods and services. In 2006, exports

to Saudi Arabia will most likely hit \$10.7 billion in merchandise and services from the US. This translates into just under 200,000 US jobs put at risk by "in your eye" legislation.

**Question:** What are the real underlying issues of the 2005 legislation?

**Question:** This is yet another proxy battle on the periphery of the central issue of the Middle East, and primary generator of terrorism: the Israeli-Palestinian conflict. But think of it this way. The supporters of this legislation, hardcore AIPAC and ZOA members, may number approximately the same or slightly less as the total number of Americans who would be put out of work if we begin to lose our US exports to Saudi Arabia. For them it's "my policy, right or wrong, and damn the consequences."

The lobbyists and interest groups that are pushing this are the pretty much the same crowd that pushed so hard for the invasion of Iraq. Luminaries include the Weekly Standard, AIPAC, and ZOA. They can get the support of a few sympathetic representatives of low-contact states, and count on overpowering and shutting out hardworking petroleum engineers of Louisiana and Texas, and the vehicle and parts makers of the Rust Belt. The workers and small business owners benefiting from Saudi trade are pretty much oblivious to this legislation.

**The grand strategy is to drive a wedge between the US and all major Arab allies, starting with the most important: Saudi Arabia. A secondary goal is to suck air out of domestic and foreign support for the waning Palestinian cause and any legislative attention it may garner.** Debate on the Accountability Act provides time desperately needed by the Israelis to create "facts on the ground" in the West Bank and East Jerusalem. The lobbyists for this legislation have always been enraged by generous Saudi support for the Palestinian Authority and legitimate charitable contributions to alleviate their suffering. They've done a good job in the US trying to relegate any US charitable support to Palestinians into a large grey zone of "support for terrorism" but fortunately it's not working. But, if they can actually push this legislation through, they hope it will turn off a major foreign supporter of the Palestinian cause.

But even if it fails this year, we'll see a Saudi Accountability Act of 2006 because it's a great way for fringe extremists to raise money and attempt to steer media and political attention away from the soon-to-break story of a **real, highly documented terrorism generator funded by charitable contributions.**

**Question:** What's that?

**IRmep:** The illegal use of billions of dollars in charitable funds raised in the US, laundered through Israel, to engage in occupation, violence and encroachment against the Palestinians. (see US Tax-Exempt Charitable Contributions to Israel: Donations, Illegal Settlements and Terror Attacks against the US <http://www.IRmep.org/tec.htm>).

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<sup>i</sup> 2004 Top Ten Career Recipients of Israeli PAC Funds, [http://www.wrmea.com/archives/July\\_Aug\\_2004/0407027.html](http://www.wrmea.com/archives/July_Aug_2004/0407027.html)

<sup>ii</sup> National Commission of Terrorist Attacks on the US Monograph on Terrorist Financing, page [http://www.9-11commission.gov/staff\\_statements/911\\_TerrFin\\_Monograph.pdf](http://www.9-11commission.gov/staff_statements/911_TerrFin_Monograph.pdf)

<sup>iii</sup> *ibid* page 140.

<sup>iv</sup> Intimidation by Israeli-Linked Organization Aimed at US Academic <http://www.juancole.com/2004/11/intimidation-by-israeli-linked.html>

<sup>v</sup> Saudi Arabia: Enemy or Friend? Capitol Hill Hearing <http://www.saudi-us-relations.org/newsletter2004/saudi-relations-interest-02-01a.html>

<sup>vi</sup> Flow of Saudis' Cash to Hamas Is Scrutinized, New York Times, [http://www.religionnewsblog.com/4468-Flow\\_of\\_Saudis\\_\\_Cash\\_to\\_Hamas\\_Is\\_Scrutinized.html](http://www.religionnewsblog.com/4468-Flow_of_Saudis__Cash_to_Hamas_Is_Scrutinized.html)

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