



global witness

# For a Few Dollars More

## How al Qaeda moved into the diamond trade



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**Map of Africa showing countries that produce diamonds, and al Qaeda and Hizbullah diamond trading activity**

'I'm aware there is a connection. That connection is specific. They (al Qaeda) are moving diamonds as a commodity to launder their funds.'<sup>1</sup>

*David Crane, Chief Prosecutor,  
Special Court United Nations, Sierra Leone.  
9 February 2003.*

'The sinews of war are unlimited money.'

*Cicero*

## Recommendations

### The Kimberley Process Certification Scheme (KPCS):

The credibility of the KPCS depends on ensuring that all governments fully implement the scheme. However crucial elements of the KPCS are yet to be implemented, and in some cases defined. These include the lack of a monitoring function, the current lack of agreement on handling of statistical data and the issuing of certificates.

#### The KPCS should:

1. Establish a working group to proactively investigate the role of diamonds in funding terrorism and its impact on the KPCS;
2. Design and immediately implement a credible and effective monitoring mechanism;
3. Ensure that the recommendations listed in Annex II of the KPCS be made mandatory requirements for countries with alluvial diamond production;
4. Ensure that KPCS members only trade in rough diamonds with other participating KPCS governments;
5. Ensure that the diamond industry is properly audited by independent third party auditors with adequate government oversight;
6. End ongoing participant intransigence on statistics by immediately establishing and implementing a system to capture data on the production, import and export of diamonds;
7. Assist in establishing a credential system for artisanal diamond miners, buyers and traders.
8. Embark upon peer review mechanisms with countries in the KPCS.

### The international community should:

1. Ensure that the International Convention for the Suppression of Financing of Terrorism of 1999 is ratified and implemented by all member states;
2. Take action against known illicit diamond traders;
3. Encourage Interpol and the World Customs Union to proactively investigate the use of diamonds by terrorists;
4. Include measures against illicit diamond trading in national laws and regulations particularly in relation to money laundering and terrorist financing;
5. KPCS member governments should monitor and ensure that diamond-trading activities in national jurisdictions comply with KPCS minimum standards and any international agreements on money laundering and terrorist financing;
6. Develop a greater understanding for the potential of precious commodities to finance terrorist activity.

### Civilian intelligence, military intelligence and law enforcement agencies tracking the sources of terrorist financing should:

1. Recognise the use of diamonds as a source of terrorist financing;
2. Carry out an immediate assessment of the diamond trade to establish the full scope of illicit trading structures.
3. Establish a mechanism for the full coordination and exchange of information on individuals and companies involved in the illicit diamond trade;

**The diamond industry:**

The industry must take concerted action against the extensive illicit trading networks within all sectors of the diamond trade.

Failure to face up to this endemic problem will result in the continued use of diamonds by terrorists. There is cause for serious concern about the diamond industry's proposed measures for voluntary self-regulation, a requirement defined under the KPCS. If the measures and subsequent implementation prove to be inadequate then further government regulation will be required.

**The diamond industry should:**

1. Immediately launch an investigation into the extent of illicit trading activity and develop measures to combat it. The findings of the investigation and resultant recommendations should be given to the KPCS and to the UNSC Counter Terrorism Committee;
2. Work with governments and civil society, through the KPCS, to establish an accreditation standard for third party independent auditing and further work to ensure its adoption by all sectors of the industry;
3. Ensure the implementation of anti-money laundering proposals as required by the US Patriot Act. Similar action should be taken by companies and sole traders throughout the entire industry;
4. Engage with governments to develop credential systems throughout the alluvial diamond sector.

**The banking sector should:**

1. Ensure that financing of the diamond trade be dependent upon proof of independent third party auditing;
2. Increase vigilance on transactions linked to diamond trading;
3. Adhere to the Wolfsberg Principles on money laundering.

**The UN should:**

1. Immediately make the KPCS an internationally legally binding agreement, using a UNSC resolution under Chapter VII of the UN charter;
2. Immediately place an embargo on unofficial diamonds from the DRC;
3. Ensure that countries are not allowed to join the KPCS until a credible monitoring mechanism has been established;
4. Ensure all member states fully comply with UNSC 1373.

**The Chairman of the Monitoring Group established pursuant to UNSC resolutions 1363 (2001) and 1390 (2002) should:**

1. Establish a task force to examine the role of precious commodities in terrorist financing;
2. Undertake a detailed diagnostic of the illicit diamond trade;
3. Actively encourage the full participation of governments in the KPCS;
4. Actively encourage the establishment of a monitoring mechanism for the KPCS.

**The UN Policy Working Group on the United Nations and Terrorism should:**

1. Undertake specific work on the link between commodities and terrorist financing;
2. Examine the current effectiveness of the KPCS to restrict terrorist financing through the diamond trade.

## Acronyms

ADF	Allied Democratic Forces
AFRC	Armed Forces Ruling Council
AMAL	Afwaj al Muqawamah al Lubnaniyyah
APG	Asia Pacific Group
ATU	Anti-Terrorism Unit
AU	African Union
AUC	Autodefensas Unidas de Colombia
BGI	Binladin Group International
CAR	Central African Republic
CFR	Council on Foreign Relations, US
CIA	Central Intelligence Agency
DIA	Defence Intelligence Agency, US
DRC	Democratic Republic of the Congo
ECOMOG	Military Observer Group of the Economic Community of West African States
EU	European Union
EUC	End User Certificate
FATF	Financial Action Task Force
FBI	Federal Bureau of Investigation
FSAP	Financial Sector Assessment Program
FSU	Former Soviet Union
GAO	General Accounting Office, US
GIR SA	Grupo de Representaciones Internacionales
HRD	High Diamond Council
HUMINT	Human intelligence
IIRO	International Islamic Relief Organisation
IMF	International Monetary Fund
ISI	Inter Services Intelligence
JA	Jewellers of America
KGB	Committee for State Security
KPCS	Kimberley Process Certification Scheme
LURD	Liberians United for Reconciliation and Democracy
MAK	Maktab al Khidmat Lil Mujahidin al-Arab
NCIS	National Criminal Intelligence Service
NDC	National Diamond Company
NGO	Non Governmental Organisation
NIF	National Islamic Front
NPFL	National Patriotic Front of Liberia
NPP	National Patriotic Party
NPRC	National Provincial Ruling Council
NSA	National Security Agency US
NSC	National Security Council
OAS	Organization of American States

OECD	Organisation of Economic Community and Development
PLO	Palestinian Liberation Organisation
RCD-Goma	Le Rassemblement Congolais pour la Démocratie
RPA	Rwandan Patriotic Army
RUF	Revolutionary United Front
SADR	Sahrawi Arab Democratic Republic
SIGINT	Signals Intelligence
SSS	Special Security Service, Liberia
TFRG	Terrorism Financial Review Group
TPB	Terrorism Prevention Branch
UAE	United Arab Emirates
UMFF	Ugandan Mujahidin Freedom Fighters
UN	United Nations
UNAMSIL	United Nations Mission in Sierra Leone
UNGA	United Nations General Assembly
UNITA	National Union for the Total Independence of Angola
UNSC	United Nations Security Council
US	United States
USAID	United States Agency for International Development
WDC	World Diamond Council
WFDB	World Federation of Diamond Bourses

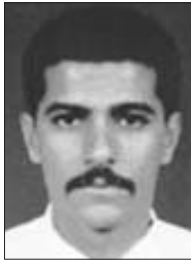


**Osama bin Laden  
T-shirt, Freetown  
Sierra Leone  
March 2002**





## Key Players



**Abdullah**

**Abdullah Ahmed Abdullah**  
aka Abu Mohamed al-Masri Saad al Sharif, Saleh and Abu Marium. Egyptian national possibly of Saudi origin. Indicted by a US court for 1998 African embassy bombings. He played an active role in the murders of US servicemen in

Mogadishu. He trained soldiers in the use of explosives at the Jihad Wal camp in Khost, Afghanistan. He sits on al Qaeda's consultation council as well as the religious/fatwa committee.

**Abu Ubadia al-Banshiri** – real name Ali al Rashidi, aka Mr Jalal and Abdel Habib. Former military commander of al Qaeda and possible founder member and was sent by Usama bin Laden to recruit for al Qaeda in East Africa in 1994. He died in a ferry disaster in Kenya in 1996. He ran a diamond smuggling operation and was owner of Tanzanian mining concern, Taheer Ltd.



**El Hage**

**Wadiah El Hage**  
Osama bin Laden's personal secretary. Born in Sidon, Lebanon, 1960. El Hage has been indicted on multiple counts of perjury pertaining to his relationship with al Qaeda. In 1993 el Hage was in Sudan where he met with Bin Laden and became his

personal secretary. In 1994, he moved to Kenya setting up Tanzanite King, a gemstone mining and trading company. He was key in the al Qaeda diamond and gemstone trading network. He has been in custody since 20 September 1998.



**Ghailani**

**Ahmed Khalfan Ghailani**  
Ghailani is a Tanzanian national He was indicted in the Southern District of New York, on 6 December 1998, for his involvement in the 7 August 1998 bombings in the US embassies in Dar es Salaam, Tanzania and Nairobi. He is presently

at large. He was involved in the Sierra Leone and Liberia diamond buying operation.



**Mohammed**

**Fazul Abdullah Mohammed**  
Was indicted for his involvement in the 1998 African embassy bombing. He was a senior aid to Wadiah El Hage. He prepared reports for Bin Laden. He later appeared in Sierra Leone and Liberia as part of the al Qaeda diamond buying team.



**Nassour**

**Aziz Nassour**  
Lebanese diamond and arms dealer currently in Beirut instrumental in facilitating al Qaeda diamond operations in Liberia and Sierra Leone.



**Ossaily**

**Samih Ossaily**  
Lebanese diamond dealer, currently on trial in Antwerp, Belgium for conflict diamond dealing, money laundering and arms dealing. Second cousin of Aziz Nassour.



**Bah**

**Ibrahim Bah** –aka Ibrahim Traore, Ibrahim Balde, Abraham Balde, Balde Ibrahim – confidante to Charles Taylor: Diamond and arms smuggler: Born in 1957 in Senegal Bah trained in Libya in the 80s, became a radical Islamicist and fought in Afghanistan and Lebanon in the 80s and 90s. He came under the influence of al Qaeda. He went on to fight with Charles Taylor's NPFL from 1991-97.

**Ali Darwish**  
Sierra Leonean born Lebanese diamond dealer. Intimately involved with Liberian operations of Aziz Nassour whom he introduced to Ibrahim Bah. Currently based in US.

## Executive Summary

This report seeks to examine whether the terrorist group, al Qaeda, is used, and is continuing to use, rough diamonds.<sup>a</sup> Global Witness presents evidence that confirms that al Qaeda has been involved in the rough diamond trade since the 1990s. Firstly in Kenya and Tanzania and then in Sierra Leone and Liberia, where they began to show an interest in diamond trading in 1998, following the crackdown on their financial activities in the wake of the US embassy bombings in Kenya and Tanzania. It argues that there are several reasons why al Qaeda has used rough diamonds:

- As a means of raising funds for al Qaeda cells;
- To hide money targeted by financial sanctions;
- To launder the profits of criminal activity;
- To convert cash into a commodity that holds its value and is easily transportable.

The report also briefly discusses the use of other high-value commodities, such as gold and tanzanite, by al Qaeda, and the precedent set by Hizbullah of using diamonds to fund their operations. In doing so, it reveals that the trade networks and routes used by al Qaeda to gain access to rough diamonds are the same as those used for trading conflict and illicit diamonds. It also notes that such diamond trading routes overlap with illicit arms trading, and informal support and trading networks between terrorists, rebel groups as well as regional insecurity and outright conflict. To help illustrate these diamond-trading routes the report looks in some detail at the trading networks and operations of a key player involved in the al Qaeda trading structure in Liberia and Sierra Leone. It concludes that the only way for the international community to prevent the trade in conflict and terror diamonds is to ensure that the Kimberley Process Certification Scheme is effectively implemented. This means establishing a credible, independent monitoring mechanism covering all aspects of the diamond pipeline,

from the first point of extraction to the finished product. This report seeks to act as a wake up call to those who believe that the problem of conflict diamonds has been adequately addressed.

**Part One** provides background detail on al Qaeda's history, cell structure, and hierarchy. Significantly, evidence gathered by Global Witness shows that al Qaeda's cell structure and geographical scope are replicated in their diamond-trading operations. It also provides an overview of al Qaeda's penetration into Africa, highlighting how the group's area of operations overlapped with key illicit diamond trading areas. It then outlines al Qaeda's use of other high-value commodities such as gold and tanzanite, arguing that, as with diamonds, al Qaeda's use of these commodities was a strategic response to blocks placed upon their previous revenue streams.

**Part Two** briefly examines the past record of diamond use by Hizbullah in funding their operations and for money laundering.<sup>b</sup> It shows there was a clear historical precedent for al Qaeda's use of rough diamonds by governments and the diamond industry. Thus, it argues that both governments and industry were forewarned of the danger of diamonds being targeted by al Qaeda, and that both governments and industry failed to respond adequately to this threat.

**Part Three** looks in more depth at allegations of al Qaeda's past and present diamond-trading operations. Evidence from the trials of al Qaeda members in the United States in 2001 shows that, between 1993 and 1997, senior members of al Qaeda's Kenyan and Tanzanian cells established both diamond and gem mining companies and an international trading network. This section reveals evidence which confirms press reports that, following the 1998 crackdown on al Qaeda's finances after the US embassy bombings in East Africa, significant quantities of al Qaeda funds were laundered in 2000-2001 through the illicit diamond trade in Sierra Leone and Liberia. Part Three also provides a detailed chronological breakdown of how al Qaeda expanded their

<sup>a</sup> A number of regional and international political bodies such as the European Union, the African Union, the Arab League and the United Nations have issued definitions of 'terrorist' and 'terrorism'. The definitions of 'terrorist' and 'terrorism' used in this report are those endorsed by the UN General Assembly (UNGA), as Global Witness regards these as having the most universal currency. UNGA Resolution 54/110 of 9 December 1999 defines terrorism as 'criminal acts intended or calculated to provoke a state of terror in the general public, a group of persons or particular persons for political purposes' and such acts are condemned as 'in any circumstance unjustifiable, whatever the considerations of a political, philosophical, ideological, racial, ethnic, religious or other nature that may be invoked to justify them'. For further information on definitions of terrorism by other multilateral bodies, see Annex 6.

<sup>b</sup> The Lebanese paramilitary organisation Hizbullah is designated as a terrorist group by the United States State Department (the European Union does not consider Hizbullah to be a terrorist entity). Global Witness believes that the actions of rebel groups such as the RUF in Sierra Leone and UNITA in Angola fit the definition of terrorist acts outlined in Annex 6.

operations into the two countries, and shows how a supposedly legitimate trader played a central role in the development of al Qaeda's diamond trading activities, and how these were connected with arms trading to Liberia and on to the RUF in Sierra Leone.

**Part Four** provides a brief overview of the international response to al Qaeda in the aftermath of September 11. It outlines the various ways governments, the international finance system and other economic actors attempted to block the (potential) supply of funds to terrorist groups, and to combat the transfer, storing and moving of terrorist assets. It further highlights how this targeting of the sources of terrorist financing has ignored diamond trading.

The report concludes that the international community still faces considerable challenges to prevent the trade in illicit and conflict diamonds. It recognises that the KPCS of import and export controls does represent a significant step forward in combating conflict diamonds. However, it argues that the Kimberley Process has consistently failed to address the key issue of the need for independent oversight to make any system of controls effective. Without independent monitoring and without effective controls over alluvial mining, the KPCS has little credibility and, more importantly, will not stop the illicit diamond trade, an important source of funding for al Qaeda amongst others. The report calls for the diamond industry and the relevant governments to fully accept the urgent nature of the problem and to take practical measures to combat it.

### *Attempts to Define Conflict Diamonds*

'CONFLICT DIAMONDS means rough diamonds used by rebel movements or their allies to finance conflict aimed at undermining legitimate governments, as described in relevant United Nations Security Council (UNSC) resolutions insofar as they remain in effect, or in other similar UNSC resolutions which may be adopted in the future, and as understood and recognised in United Nations General Assembly (UNGA) Resolution 55/56, or in other similar UNGA resolutions which may be adopted in future.'

**Kimberley Process Certification Scheme as adopted at Interlaken Kimberley Process Plenary Meeting on 5 November 2002:**

'Understanding conflict diamonds to be rough diamonds which are used by rebel movements to finance their military activities, including attempts to undermine or overthrow legitimate Governments,'

**UN General Assembly Resolution 55/56, 1 December 2000, Adopted by the 55th Session of UNGA:**

'Recognising that the trade in conflict diamonds is a matter of serious international concern, which can be directly linked to the fuelling of armed conflict, the activities of rebel movements aimed at undermining or overthrowing legitimate Governments and the illicit traffic in and proliferation of armaments, especially small arms and light weapons,'

**UN General Assembly Resolution 56/263, 13 March 2002, Adopted at 56th Session of UNGA:**

'Noting with deep concern the linkage between the illicit trade in rough diamonds from certain regions of the world and the fuelling of armed conflicts that affect international peace and security,'

**UN Security Council Chapter 6 Resolution adopted by Security Council at its 4694 meeting on 28 January 2003.**



**Artisanal alluvial diamond mining Angola 2002**



## Introduction

Conflict or blood diamonds have been a subject of international outrage and concern since December 1998, when Global Witness published its report *A Rough Trade: The Role of Companies and Governments in the Angolan Conflict*.<sup>2</sup> The term conflict diamonds is commonly used to refer to rough diamonds that finance and prolong violent armed conflict in Africa.<sup>c</sup> Diamonds have been used by rebel groups in a strategic, systematic and consistent way to fund some of the most protracted and devastating civil wars in Africa,<sup>3</sup> wars that have cost an estimated 3.7 million lives.<sup>4</sup> Even today, diamonds continue to pay for illicit weapons purchases in conflict-torn Liberia and the Democratic Republic of Congo (DRC).

Having brought the issue of conflict diamonds to the world's attention, an international coalition of civil society organisations forced a reluctant diamond industry and key diamond producing and trading governments to accept responsibility for having allowed the multi-million dollar trade in conflict diamonds to go unchecked.<sup>d</sup> In May 2000, the diamond industry, fearing a negative consumer reaction, joined with concerned governments and civil society organisations to create the Kimberley Process. This consisted of a series of intergovernmental meetings mandated by the UN to design a system of import and export controls for rough diamonds, with the aim of eliminating the trade in conflict diamonds.<sup>e</sup> Fourteen meetings later, in November 2002 at Interlaken in Switzerland, participating governments together with the diamond industry and civil society groups agreed on a system of import and export controls for the rough diamond trade; as of April 2003 there are 69 participant governments in the Kimberley Process.<sup>f</sup>

On 11 September 2001, the devastating attacks by al Qaeda on the World Trade Centre and the Pentagon took place. This gave added focus to the need to identify and dismantle all forms of terrorist financing and money laundering networks, as UNSC 1373 recognised.<sup>5</sup> Almost immediately after the attacks, details

emerged of al Qaeda's global financial architecture.<sup>6</sup> Court transcripts from the 2001 trial of al Qaeda operatives in the United States showed that the trade in rough diamonds and high value gemstones from Kenya and Tanzania had been an important part of al Qaeda's financial structures.<sup>7</sup> In November 2001, evidence was uncovered by *The Washington Post* which revealed that operatives from the same al Qaeda cells involved in the Kenyan and Tanzanian diamond trading operation had begun a massive diamond buying operation in Sierra Leone and Liberia.<sup>8</sup> Recently questions have emerged concerning investments in diamond mining and exploration companies by prominent Saudi financiers with previous convictions for terrorist financing activities and possible links to al Qaeda. Global Witness has not included any discussion of these activities in this report.

Global Witness decided to carry out its own investigations to determine whether there was a basis to these claims of diamond trading. What emerged was a complex economic and political nexus of diamond trading, involving relationships between governments, businessmen, African rebel leaders and the diamond industry. These investigations have confirmed the diamond-dealing operations of al Qaeda in Sierra Leone and Liberia as first outlined by *The Washington Post* on 2 November 2001 and 29 December 2002. The report presents detailed information of how these trading structures were developed by al Qaeda.

Global Witness details evidence of al Qaeda's development and implementation of a sophisticated financial strategy, managed by high-level al Qaeda operatives, aimed at harnessing the rough diamond trade to fund its operations. The use of diamonds, gold and tanzanite, and other high-value commodities, as a form of revenue generation and asset laundering by al Qaeda has already received media coverage. However, what Global Witness is highlighting for the first time is the strategic nature of al Qaeda's decision to begin trading in these commodities, and in the light of this, is questioning the reluctance of governments and intelligence agencies to accord this issue the importance it deserves.

<sup>c</sup> There are in fact at least three different definitions. See page 7.

<sup>d</sup> Current coalition partners include: ActionAid, Amnesty International, Catholic Relief Services, CENADEP, Fatal Transactions, Global Witness, Medico International, One Sky – the Canadian Institute of Sustainable Living, Oxfam International, Partnership Africa Canada, Physicians for Human Rights, World Vision, Network Movement for Justice and Development, 11.11.11.

<sup>e</sup> The Kimberley Process was so named because the first meeting was held in Kimberley, South Africa, in May 2000.

<sup>f</sup> Interlaken meeting agreement and Kimberley Process document. It should be noted that the civil society groups present accepted the certification scheme with reservations, particularly over the lack of any independent monitoring of the national control systems.

Governments and the intelligence community consistently cite the lack of hard evidence as their reason for not taking action. Global Witness will argue that the consequence of their reluctance to pursue this line of investigation has enabled the illicit diamond trade to be used by terrorist groups such as al Qaeda.

In fact, it should come as no surprise that al Qaeda made a strategic decision to use diamonds to fund its operations. Rebel armies, drug dealers, organised crime outfits and rogue states have all recognised that rough diamonds can be put to covert or illicit uses. Easy to transport and conceal, and with an ability to maintain their price, they are already the favoured method of payment or bribe in many illegal transactions. A recent report by the Financial Action Task Force (FATF) on Money Laundering states:

‘The ease with which diamonds can be hidden and transported and the very high value per gram for some stones make diamonds particularly vulnerable to illegal diversion from the legitimate channels for the exploitation and profit of criminals’.<sup>9</sup>

Global Witness believes that an accurate understanding of the role played by diamonds in terrorist financing systems is overdue. It is also of grave concern concerned that the legitimate diamond industry has to date not conducted its own investigations into this issue. What makes their negligence even more remarkable is the fact that there is already widespread understanding within the diamond industry and among governments that groups such as Hizbullah – who wield considerable influence over certain sectors of the diamond trading community – use the diamond trade to obtain funds.

There is a tragic and unacceptable sense of history repeating itself on this issue. The diamond industry has not learnt the key lesson on conflict diamonds which is the failure to take full responsibility for the problems in its own industry sector. It continues to resolutely avoid responsibility for collective action, insisting that governments bear the sole responsibility. This has been very clearly, and repeatedly

demonstrated in recent history. Sales of diamonds have played a role in funding UNITA in Angola, the RUF in Sierra Leone, various rebel factions in the DRC; President Charles Taylor in Liberia, Hizbullah and AMAL militias in Lebanon and a number of other regimes and conflicts. This is not to say that diamonds are the causal factor in all of these conflicts; although in Angola and Sierra Leone control of the diamond fields was a major factor in the extension of the fighting, but what is clear is that diamond revenue has been central to much of the conflict. The issue of the link between diamonds and terrorism is a major test of the claims the diamond industry has made that it has reformed and is serious about the need to protect society from the negative impacts of its trade. The industry has a serious challenge before it. If it takes the same approach as it did with conflict diamonds it will be risking the entire future of the trade in a way that civil society organisations have never done. Civil society has shown remarkable restraint despite the fears of governments and industry that it would call for boycotts. The trade, through its public voice the World Diamond Council (WDC), could do something completely new. It could move swiftly to put in place measures to combat this source of terrorist finance. Global Witness fully accepts that this is not a simple matter, and that the industry is not a united one, however, the usual excuses are no longer credible.

Governments must also accept that they have a responsibility to tackle this issue. There has been a distinct lack of willingness within the Kimberley Process negotiations towards the designing and setting up of credible and independent monitoring mechanisms. The failure to tackle what many governments saw as the ‘potentially’ difficult subject of monitoring has led to a significant weakness in the system. Now that the Kimberley Process is deemed to be up and running, certain governments, such as South Africa and the United Kingdom have publicly accepted the need for developing effective and independent monitoring controls.<sup>8</sup> As this report will show, this weakness must be addressed in the next phase of the Kimberley Process if it is to maintain any credibility.

<sup>9</sup> Letter from P. Mlambo-Ngcuka, South African Minister of Minerals and Energy to Global Witness, 20 January 2003

<sup>8</sup> ‘The chairman of the Kimberley Process, in his notice dated 12 December 2002, noted that in Windhoek in 2001 Participants took a conscious decision to break the process of monitoring into two main components: the establishment of national monitoring and control systems and the question of international monitoring. As this latter question was thought to be particularly sensitive it was decided that the Kimberley Process would proceed with the establishment of national certification schemes and then to examine how best to tackle the question of international monitoring. I trust that this will be tackled at the next plenary meeting.’

## Part One: al Qaeda – Structure and History

This section of the report briefly outlines the operational structure of al Qaeda in order to better understand the significance of the organisation's growing use of diamonds. It is important to understand that al Qaeda's involvement in diamonds is not a one-off occurrence, but mirrors its growth across the continent and clearly fits with its other business activities, and plays a role in its strategic development.

Global Witness is not claiming expertise on al Qaeda and refers readers to Rohan Gunaratna's detailed and authoritative book on the organisation 'Inside al Qaeda: Global Network of Terror', 2002.<sup>h</sup> Much of the information in this section is drawn from his work.

### Al Qaeda: A brief history

#### The early development of al Qaeda

The origins of al Qaeda can be traced back to 1979 and two events of immense regional and international impact: the Islamic revolution which led to the downfall of the Shah in Iran, and the Soviet invasion of Afghanistan. These two events marked both the beginning of contemporary regional and global Islamist movements, and the eventual political, if not military defeat of the Soviet Union in Afghanistan, one of the endgames of the Cold War.

The rise to power of Ayatollah Khomeini in Iran was paralleled by the creation of Islamist movements globally.<sup>i</sup> Gunaratna estimates there are approximately one hundred such movements in the Middle East, Africa, Asia, the Caucasus, and the Balkans and in Western Europe. Al Qaeda grew out of the ranks of the Islamic mujahidin of both Afghan and foreign origin who fought the Soviet-backed regime in Afghanistan during the 1980s.

Gunaratna describes how the intellectual origins of al Qaeda derive from the Palestinian-Jordanian Abdullah Azzam, who in 1987 and 1988 envisaged al Qaeda as an organisation that would 'channel the energies of the mujahidin into fighting on behalf of oppressed Muslims worldwide', that is, as a form of Islamic 'rapid reaction force', ready to spring to the defence of their fellow believers at short notice.<sup>10</sup>

Apart from being the intellectual originator

of al Qaeda, Azzam was also Osama bin Laden's mentor. Both men headed the *Maktab al Khidmat Lil Mujahidin al-Arab* or MAK (also known as the Afghan Service Bureau) in Peshawar, Pakistan, out of which al Qaeda evolved. Disagreements between Azzam and bin Laden over the future strategy of MAK in 1988 and 1989 led to Azzam's assassination by a car bomb in Peshawar.<sup>11</sup> Bin Laden was one of the few surviving senior mujahidin fighters who had been involved in the strategic leadership of the anti-Soviet military campaign, and as a result he assumed the leadership of al Qaeda. Bin Laden's aim was to fashion MAK and al Qaeda in his own image, as an 'unflinchingly hostile global terrorist force, established with the aim of destroying America and Israel and re-establishing the Caliphate by means of a worldwide jihad.'<sup>12</sup>

Following the murder of Azzam in 1989, while bin Laden became al Qaeda's operational head, the mantle of al Qaeda's spiritual leadership was assumed by the leader of the Egyptian Islamic Group, Umar Abd al-Rahman (also known as the 'Blind Sheikh'). Following al-Rahman's arrest by the US authorities in 1993 in the wake of al Qaeda's first attempt to blow up the World Trade Centre, Dr Ayman Muhammad Rabi'al Zawahiri, another radical Egyptian Islamist leader, stepped in to fill the ideological void left by Azzam. Ayman al-Zawahiri also provided al Qaeda with much-needed organisational skills and began positioning his fellow Egyptian loyalists as bin Laden's key aides. As the organisation began to grow, an Egyptian named Ali al-Rashidi (who is better known as Abu Ubadiyah al-Banshiri) was nominated as al Qaeda's first military commander. From 1993 until his death in 1996, as is described in more detail in Part Three, al-Banshiri became intimately involved in establishing al Qaeda's diamond smuggling and money laundering operations as the leader of the Kenyan and Tanzanian cells.

Al Qaeda and bin Laden were initially based in Afghanistan, before re-locating to Saudi Arabia in 1989. Bin Laden was then forced by the Saudi authorities to move to Sudan in 1991 and was based there for the next five years. It was during this time that al Qaeda developed their diversified business interests. In parallel to this activity al Qaeda were involved in a series of failed assassination attempts on a number of world leaders, including President Mubarak of Egypt, and President Clinton, and other attacks

<sup>h</sup> Rohan Gunaratna. 'Inside al Qaeda. Global Network of Terror', publ. C. Hurst and Company, London, 2002.

<sup>i</sup> Islamist: 'Group of ideologies in Islam that want to use the Sharia to its full extent, meaning that secular forms of governments and institutions are considered foreign to a true Muslim society. Islamism is not one ideology. Inside the same society, several directions of Islamism can be found, and these are seldom cooperating. People belonging to an Islamist group, call themselves, and are called by others 'islaamiyy' for men and 'islaamiyya' for women. Both men and women are called Islamists in English.'

that are briefly detailed in the section 'al Qaeda and Africa'. These activities resulted in the international community pressuring the Sudanese who were hosting the organisation, and as a result al Qaeda returned to Afghanistan in 1996.

### **Organisational structure**

Al Qaeda uses a network of cells and affiliate organisations through which to pursue its aims. The relationship between these various affiliates can be described as resembling a modern management structure. Al Qaeda and its member organisations are distinct enterprises, each with their own particular struggle, aims and operational methods, yet they maintain close links with one another.<sup>13</sup> Gunaratna describes the structure of al Qaeda as being led by the shura majlis, or consultative council, which is immediately below bin Laden who is the Emir General. He notes:

'Immediately below the shura majlis and reporting to it, are four operational committees: military, finance and business; fatwa and Islamic study; and media and publicity, which ensure the smooth day-to-day running of al Qaeda, each being headed by an Emir. While the Emir and Deputy Emir have responsibility for each committee, its members also form compartmentalised working groups for special assignments...some members serve on more than one committee or are rotated between them.'<sup>14</sup>

Each of the four committees controls a specific set of functions:<sup>15</sup>

The **Military committee** is responsible for recruitment, training, procurement, and for support and military operations. It instructs teams to plan attacks, including intelligence gathering on intended targets via surveillance or reconnaissance missions and conducting rehearsals through attack training. It can also allocate special instructors, weapons, and other resources to directly and indirectly assist campaigns by al Qaeda's affiliate groups. In addition, it oversees more clandestine and sensitive operations such as the procurement, forgery, or alteration of identity documents including passports and entry visas.<sup>15</sup>

The **Finance committee** is responsible for developing the financial resources needed by al Qaeda members on its payroll, as well as funding operations and the activities of its affiliates. This involves institutional methods of financing, using front businesses and charities. Al Qaeda controls branches of both MAK and the International

Islamic Relief Organisation (IIRO), two important sources of funds.

The **Religious and Legal committee** is responsible for sustaining al Qaeda's ideological commitment and its membership, in particular for the propagation of the al Qaeda model of Islam. The Religious and Legal Committee works closely with the Media Committee.

The **Media committee** is responsible for disseminating news and information in support of al Qaeda's political and military activities. It controls the dissemination of al Qaeda's external political and religious message rather than its internal communications between cells and affiliate groups.

Al Qaeda makes use of geographic divisions to manage its structure. For example, heads of regions usually reported to Abu Zubaydah, Head of External Operations, who sat on the Military committee. This means that individuals at the apex of a cell report directly to an operation handler, or to the head of the relevant region. The regional heads report to an individual on the relevant committee. Hand picked members of these committees – especially representatives from the military committee – also conduct special assignments for bin Laden and his operational commanders. To preserve operational effectiveness at all levels, compartmentalisation and secrecy are paramount.<sup>16</sup>

Al Qaeda also operates across its various command structures. This makes it very flexible and able to adapt to changing external conditions, such as having to relocate its command structure to new countries in response to political pressure. This adaptability was an important factor in its survival after the fall of the Taliban in Afghanistan in 2001.

Al Qaeda relies on familial and social relationships within its cellular network to sustain ideological cohesion and obedience. Members often recruit from among their own families, friends and nationalities.<sup>17</sup> This can mean that an entire taskforce for a particular operation in a particular country will be people who know one other and who may be of the same nationality. For example, its Algerian members ran fraudulent credit card operations in Europe; and the Egyptian section looked after training facilities worldwide.<sup>18</sup> In certain cases, the individuals who are to carry out a particular attack or operation will be known to the local cell simply as the 'person responsible', with a minimum number of cell members knowing the identity of the operative.

### **Development of networks**

Al Qaeda's strategy has been to build a diverse range of supporters, thus it campaigned for a



joint Shia-Sunni platform and attempted to unite all extremists in the common fight for a global jihad. In so doing, al Qaeda made allies among key religious constituencies and also gained popular support, thus increasing both its political power and its material support. It also sought support globally, by providing 'seed money' and military training to key movements around the world, in the process persuading them to become part of its umbrella movement.

Al Qaeda now has a wide network of support through which to finance, plan and execute its operations. It has direct control over its own cells, administrative control over its affiliates and consultative control over more loosely affiliated groups.

### **Al Qaeda and Hizbullah**

For a number of years, investigators have been trying to prove a link between the Lebanese militia group Hizbullah and al Qaeda. While Global Witness has not uncovered any evidence to confirm a relationship between the two organisations, a brief analysis of the information available to date does go some way to showing that they have begun to coordinate their ideological programmes and strategies including, Global Witness believes, adopting parallel financial strategies. Part Two explains in more depth Hizbullah's involvement in the diamond industry. Global Witness sees clear lines of convergence between the use of diamond-trading operations by both groups as a source of revenue and asset storage and transfer.

According to evidence from trials of al Qaeda members in the United States in 2001, while bin Laden was in Sudan he began forging a working relationship between Sunni and Shia terror groups. A meeting was held between bin Laden, the Sudanese religious scholar Ahmed Abdel Rahman Hamadabi, and Sheikh Nomani who represented the Iranian Shias. Nomani occupied an office in Khartoum paid for by the Iranian Government and had access to the highest ranks of the political elite in Tehran. This meeting, chaired by bin Laden was apparently the first of a series that took place between al Qaeda, Hizbullah, and Iranian representatives.<sup>19</sup>

According to Gunaratna, these meetings also served to give al Qaeda technical advice on its operations. The failure of the February 1993 attack on the World Trade Centre showed that al Qaeda did not yet have the technical know-how to bomb large structures. Within a few weeks of the Khartoum meeting, the Iranians consulted Hizbullah and al Qaeda was invited to send a team to Lebanon.<sup>20</sup> According to Gunaratna, the team included key al Qaeda personnel, who had been given training by Hizbullah and had made

propaganda videos with the intention of passing on their knowledge to other al Qaeda groups.<sup>20</sup>

Cooperation between the two terrorist groups was cemented by a meeting between bin Laden and Hizbullah security chief Imad Mughniyeh, according to the testimony of Ali Muhammad before the court of the Southern District of New York on 20 October 2000.<sup>20</sup> In addition, Gunaratna notes that Hizbullah trainers and experts from Iran's Ministry of Information and Security trained al Qaeda fighters in existing al Qaeda camps in Sudan, in Hizbullah camps in Lebanon and government bases in Iran.<sup>21</sup> On 6 December 2002, the Israeli Prime Minister Ariel Sharon claimed that al Qaeda had several operatives in Lebanon and had entered Israel via the Gaza strip, but provided no proof to substantiate these claims. Lebanon's defence minister, Khalil Hrawi, admitted that some al Qaeda members had infiltrated Lebanon but that Lebanon 'dealt with their people and operations through coordination with the Americans, France, Germany, the Arab countries and, of course, Syria'.<sup>22</sup>

Gunaratna's view is that:

'The Hizbullah, al Qaeda relationship was a strategic partnership, indicative of a major shift in terrorist thinking. Throughout the 1990s, ethno nationalist Muslim groups were supplanted by, or fell under the influence of, Islamist groups, thereby paving the way for further ideological tolerance and inter-group cohesion as a means of confronting a common enemy.'<sup>23</sup>

This relationship was not confined to the Middle East. Shia and Sunni groups in Asia also cooperated. Gunaratna notes that the discovery of a Hizbullah cell in Singapore in 1998, and the arrest of Hizbullah operatives in 1999 and 2000 in the Philippines are possible evidence of this new spirit and practice of cooperation<sup>24</sup>.

### **Al Qaeda and Africa**

This section briefly details some of al Qaeda's activity across the African continent as it is highly pertinent to an understanding of the way in which it was able to gain access to diamond trading networks, move high profile operatives around the continent with relative ease, and has become tied into the regional instability in West Africa.

Al Qaeda has not restricted its sphere of operations to those African countries that have an obvious religious, cultural or political sympathy with Islam. The simultaneous attacks by al Qaeda operatives against the American embassies in Kenya and Tanzania in 1998, in which 224 people were killed and over 4,500 injured are well known. However, al Qaeda has

also been involved for over a decade in a wide range of attacks throughout Africa, and has developed networks involving extremist Islamist organisations in many African countries. Gunaratna lists the operations and attacks in some detail. It is very clear that al Qaeda's involvement in diamond trading is part of a sustained, ever expanding and long-term commitment to activity in Africa. In other words this is an issue that the diamond trade and the governments participating in the Kimberly Process must face up to. Gunaratna notes:

'Immediately after the attacks, the US suspended diplomatic and business operations in some other African countries where al Qaeda was known to have a presence: Somalia, Sudan, Congo, and Guinea-Bissau. Osama was thinking beyond his traditional African base, the Horn, wishing to make inroads among the Muslims of Central and West Africa. Plans were set in motion for further attacks against US embassies as a means of politicising and radicalising African Muslims, in the hope of provoking anti-Muslim backlashes in the countries concerned. However, the National Security Agency's monitoring of satellite phone conversations between Afghanistan and sub-Saharan Africa alerted it to, and helped thwart, al Qaeda's plans to bomb at least twelve US embassies, including the US mission in Abidjan, capital of the Ivory Coast. Since 9/11 the CIA has withdrawn some of its best operatives from Asia and elsewhere who are familiar with monitoring Islamist movements. They have now been deployed in many African countries where previously this issue was not regarded as a priority. There is also strong circumstantial evidence of the growing popularity of Osama and al Qaeda in Northern Nigeria, a predominantly Muslim area, and other parts of West Africa's Sudanic belt. While in Sudan, al Qaeda and the National Islamic Front (NIF) played an important role in supporting Ugandan Islamists directly and through NGOs. In 1994, Salafi Foundation of Uganda was supported by al Qaeda/NIF to develop the Ugandan Mujahidin Freedom Fighters (UMFF). In addition to training in Juba, Nesitu, Jebellin in the south of Sudan, camps were established in Buseruka, Hoima, near Lake Albert. Sheikh Jamil moved to Kenya where he coordinated UMFF activities. By joining other opposition

forces, UMFF evolved into the Allied Democratic Forces (ADF), which relocated to the Democratic Republic of Congo to challenge the Kampala government. After al Qaeda moved to Afghanistan in 1996, handpicked ADF members were trained in Afghanistan as explosives experts. While Sudan supported the Lord's Resistance Army, Uganda aided the Sudanese People's Liberation Army. In 1995, when Uganda closed down the Sudanese embassy in Kampala, the Sudanese intelligence officers were transferred to Kenya to continue their work. Even after Osama's departure from Sudan, Khartoum supported the Ugandan Islamists including the West Nile Bank Front operating from Zaire along the Zaire-Ugandan border. According to a Canadian intelligence source, al Qaeda planned to assassinate President Museveni and another African leader visiting Kampala in 1999. Khartoum's support for Ugandan Islamists did not cease until the signing of a peace agreement between Sudan and Uganda in December 1999.'<sup>25</sup>

This extensive quotation from Gunaratna's book shows that al Qaeda have a long history of operating across many countries in Africa and that they are not just limited to the countries that are publicly known about, such as Kenya and Tanzania. Virtually all the countries listed above are either producers of diamonds or have an extensive illicit trade in diamonds.

### ***Al Qaeda funding***

Al Qaeda have utilised many different options to raise and move funds. This section briefly looks at some of these and includes a case history on its use of gold.

'Intelligence and security services worldwide, including the CIA and MI6, have never before encountered a global terrorist financial network as sophisticated as al Qaeda's. Comparisons with other such networks reveal that al Qaeda has built the most complex, robust and resilient money generating and money moving network yet seen. No network resembles al Qaeda's, although it shares some features with the now defunct Bank of Credit and Commerce International.... The resilience of al Qaeda's financial infrastructure is primarily due to the compartmentalised structure it has adhered to since its inception. It assigns a

high priority to financial training and management as well as the sustained generation and investment of funds. Al Qaeda's finance and business committee – comprising professional bankers, accountants and financiers – manages the group's funds across four continents.<sup>26</sup>

Bin Laden is widely reported to have inherited US\$300 million at the age of ten on the death of his father, as part of his inheritance from Binladin Group International (BGI).<sup>27</sup> However Gunaratna states that intelligence sources believe it was closer to US\$25-30 million which was invested.<sup>28</sup> In Afghanistan during the 1980s, bin Laden financed the military campaign against the Russian occupation with US\$25,000 a month.<sup>27</sup> Experts believe that at that rate his inherited fortune would have quickly dried up, and that the al Qaeda network would thus have had to seek out new sources of revenue. It is estimated that by early 1999 bin Laden was receiving up to 10% of the Taliban-controlled drug trade, estimated to be worth nearly US\$1 billion a year.<sup>27</sup> In addition, al Qaeda received funding from Islamist organisations estimated to be able to draw upon US\$5 billion to US\$16 billion a year. However, Simon Reeve, who has written on al Qaeda, believed that by late 1998 to early 1999 'the size of bin Laden's bank balance had become almost an irrelevance'.<sup>27</sup> The reason given for this is that many of al Qaeda's cells were 'virtually self-sufficient' and were working 'for reward from Allah, not for financial gain'.<sup>27</sup>

### **Development of business activity**

Whilst in Sudan (1991–1996), bin Laden developed wide-ranging business interests. He invested in over 30 companies, ranging from hi-tech laboratories engaged in genetic research to civil engineering firms, and in the process lost nearly all of his inherited wealth. No evidence has yet been uncovered that al Qaeda attempted to establish any diamond mining or trading companies in Sudan. However during the 2001 US trial of al Qaeda members, court testimony included reference to two Sudanese brothers, based in Bangkok, being involved in diamond trading with bin Laden's former personal

assistant, Wadih El Hage.<sup>j</sup> This was backed up by details of one of the brothers that appeared in the address book of El Hage; this address book was included in court evidence.<sup>29</sup>

Bin Laden also cultivated business interests and ties with Sudan's political and business elites. He developed relationships with the president, ministers, and the heads of government departments. As will be discussed in more depth below, bin Laden's personal secretary El Hage followed a similar strategy of cultivating the political and economic leadership in Kenya in 1996, persuading the deputy minister of agriculture to become a director of his diamond mining company.

### **Al Qaeda's use of gemstones and gold as a source of finance**

Al Qaeda has used the trade in gemstones and gold to generate revenue. Members of al Qaeda could have gained valuable knowledge of gemstone trading networks during the ten-year fight against the Soviets in Afghanistan.<sup>30</sup> The country has large deposits of lapis lazuli,<sup>k</sup> emeralds, rubies, sapphires and tourmaline, which were traded by all sides in the conflict.<sup>31</sup> The Northern Alliance's five-year war against the Taliban was funded, in part, by income from gemstones. In a good year the Northern Alliance would have collected up to US\$60 million from the hundreds of gem mines in the northeastern corner of Afghanistan, the 10% of the country that they controlled.<sup>32</sup> The stones were smuggled out of Afghanistan to Pakistan and Tajikistan and then sold on the open market. The hard currency generated by the sale of gems was used to buy 'guns, ammunition, rocket launchers, and second-hand helicopters'.<sup>33</sup> More specifically, Ahmad Shah Massoud, the former leader of the Northern Alliance assassinated in September 2001, funded his army by selling emeralds from his heartland in Panjsher province to a Polish firm, Inter Commerce.<sup>30</sup>

Global Witness has identified three stages of al Qaeda's involvement in the mining and trading of precious gemstones and gold. Firstly, from 1993 to the present day, diamonds, tanzanite, gold and precious stones<sup>l</sup> have been used as a source of revenue for the operations of

<sup>j</sup> Wadih El Hage was the former personal secretary to Osama Bin Laden. He is currently serving a life sentence in the US for his involvement in the 1998 embassy bombings and for perjury before a US Grand Jury investigation into al Qaeda.

<sup>k</sup> Lapis lazuli has been mined in Afghanistan for centuries. Afghanistan sits on the world's richest lode of the gemstone, and the largest, richest veins are found in the Hindu Kush Mountains, in the Sare-e-Sang mines. The stone sells for anywhere from US\$1 a carat to US\$150 a carat (retail price). The Northern Alliance warlords are believed to have made between US\$2 million and US\$5 million a year from the blue stone. Soon after the Taliban collapsed in 2001, Afghanistan's new government discovered that ten tonnes of lapis lazuli, valued at around US\$1 million, had vanished from vaults at the old Presidential Palace. The prime suspects for the theft are the Taliban commanders who fled Kabul in November 2001, and the Northern Alliance warlords who swept into the capital ahead of US ground troops.

<sup>l</sup> Al Qaeda have also shown an interest in amethyst, rubies, sapphires and emeralds.

local al Qaeda cells. Secondly, post the September 1998 financial crackdown on al Qaeda's financing networks, it has attempted to launder significant amounts of money by transferring it into gold, tanzanite and diamonds. Thirdly, this asset laundering has evolved into a more intensive effort to hide targeted assets.

Global Witness believes it is highly probable that after al Qaeda's financial resources were targeted following the 1998 US embassy attacks, that it would have carried out risk analysis on its financial networks and resources. Al Qaeda would have been able to predict the assault on its sources of revenues that another major attack would inevitably invoke. It is in this context that the unregulated diamond trade was, and remains, highly attractive to al Qaeda as a means of safeguarding its assets. Publicly accessible information on these commodities and their link to al Qaeda is still very limited. Therefore, information on tanzanite and gold is largely taken from press reports due to the limited availability of material. The detailed information presented on al Qaeda's diamond trading activities in Part Three is based on interviews with individuals who were involved in the trade. This is corroborated with documentation obtained from interviews with individuals.

### ***Al Qaeda and gold***

Al Qaeda's recent mastery of the gold-trading routes that have been in operation for decades, between Pakistan and several Middle Eastern countries has provided it with significant amounts of untraceable revenue. Moreover, it has immeasurably aided al Qaeda's efforts to hide its assets in the wake of the September 11 attacks.

Gold has traditionally been a preferred commodity for the accumulation and transfer of wealth in Central Asia, the Arab Peninsula and northern Africa for generations. It is also an extremely attractive commodity to international criminal networks, drug traffickers and terrorist organisations as has been pointed out by the FATF Report on Money Laundering; Report on Money Laundering Typologies 2002-2003.

'The advantages that gold provides are also attractive to the money launderer, that is, the high intrinsic value, convertibility, and potential anonymity in transfers. It is used, according to the FATF experts, both as a source of illegal funds to be laundered (through smuggling or illegal trade in gold) and as an actual vehicle for laundering (through the outright purchase of gold with illegal funds).'

<sup>34</sup>

In late December 2001, British forces in Afghanistan found an al Qaeda training manual, showing not only how to build explosives and handle weapons, but also how to smuggle gold on small boats and how to conceal it on the body. Al Qaeda has penetrated existing gold smuggling networks in a similar fashion to the way in which it has infiltrated many radical Islamist organisations. However, unlike al Qaeda's diamond trafficking, the importance of its gold trafficking to its terrorist operations has been recognised by the US government. A former US law enforcement official investigating gold transactions said:

'Gold is a huge factor in the moving of terrorist money because you can melt it, smelt it or deposit it on account with no questions asked.'

<sup>35</sup>

Patrick Jost, a former senior financial officer in the Treasury Department's Financial Crimes Enforcement Network investigating al Qaeda's gold transactions has noted that:

'There can be no doubt that al-Qaida has placed a large share of its assets in gold. This metal is indeed the best means of transferring secret funds. Jewellers in the Middle East and Indian subcontinent act as virtual bankers [and] due to its secret and archaic nature, this trade is particularly difficult to track down and infiltrate. Transfers are anonymous. Jewellers who help terrorists are often hidden behind a diverse business front offering financial services, a travel agency, video sales, and telephone cards.'

<sup>35</sup>

In Afghanistan most of the Taliban's state revenues were kept in gold and Taliban officials collected taxes in gold from the heads of Pakistani and Indian trucking companies that shipped goods through Afghanistan. In addition, the Taliban used gold in transactions involving the sale of Afghan-grown opium and heroin.<sup>36</sup> One Pakistani businessman referred to these transactions as a 'commodity for commodity exchange' and claimed that the Pakistani Inter Services Intelligence (ISI) had information that al Qaeda and the Taliban were shipping large amounts of gold from Karachi as payment for large quantities of heroin and opium.

Trusted Taliban and al Qaeda officials would smuggle gold taken from Afghan banks into Karachi, Pakistan. Once in Pakistan the gold would be smuggled to Dubai and Iran, or transferred further afield via the *hawala* money transfer system.<sup>35</sup> Once in Dubai or Iran, the gold was mixed with other goods and sent by plane to Khartoum, Sudan.



Pakistani and US officials estimate that, during one three-week period in late November to early December 2001, al Qaeda transferred US\$10 million in cash and gold out of Afghanistan.<sup>36</sup> The Taliban Consul-General in Karachi, Kaka Zada, is also known to have taken at least one shipment of cash and gold worth approximately US\$600,000 to Dubai in the last week of November 2001.<sup>36</sup> European terrorism experts have also expressed concern that Iranian intelligence officials were involved in moving al Qaeda gold. According to *The Washington Post* there are credible reports that some of the gold was flown on Iranian aeroplanes to Sudan, and some of these chartered planes have been linked to Victor Bout, a Russian arms dealer who maintains more than 50 aircraft in the United Arab Emirates (UAE).<sup>36</sup> Bout has been repeatedly named by the UN as being involved in the illicit trading of diamonds, gold, tanzanite and other high value commodities in central, southern and West Africa in exchange for arms.<sup>m</sup>

Al Qaeda's knowledge of gold smuggling routes has also been used for other purposes. In late 2002, Pakistani intelligence officials raided a village used by smugglers near Karachi in Pakistan. The evidence they uncovered there, led them to believe that al Qaeda had moved laboratory equipment used in the manufacture of chemical weapons to other countries in the region, with the help of gold smugglers.<sup>37</sup>

### **The Role of Dubai**

It is worth focusing briefly on the role played by Dubai, the political and financial capital of the UAE, in al Qaeda's gold smuggling and money laundering operations. Compared to other financial centres there is very little oversight in Dubai's banking system. Once the gold reaches Dubai, it is sold and melted into jewellery or deposited into bank vaults. Since the September 11 attacks, the US government has begun to take a greater interest in Dubai's gold market. As a result, investigators have found unusual shipments of gold entering the United States from Dubai, most of which have been traced back to prestigious brokers in Dubai.<sup>35</sup> Investigators have also pointed to the recent construction of four gold refineries in Dubai's new international gold centre. This is significant

when placed in the context of recent remarks by a London precious metals expert quoted in *Le Monde* as saying that:

'The refining market is suffering from overcapacity and profit margins are ridiculously low. The only way to make money in this sector is to recycle gold of dubious origin.'<sup>38</sup>

In conclusion, the strategic use of gold and gold-trading networks has served a multitude of uses for the terrorist organisation, and presents a considerable challenge to law enforcement officials seeking to block this source of financing for al Qaeda. The global gold-trading system is well-established and introducing tighter regulation and financial reporting procedures will meet with stiff opposition from entrenched interests. However, Global Witness believes that introducing measures to ensure greater transparency in the gold trading system is key to preventing terrorist groups continuing to use the system as a way to transfer and hide assets.

### *Moving Cash*

Another form of terrorist financing occurs through *hawala*, which is practised throughout the world. Al Qaeda has made extensive use of this system. *Hawala* is an alternative remittance system that exists independently of banking channels.<sup>43</sup> Money is transferred through a network of *hawala* dealers, and transactions are agreed between parties. All transactions are based on trust, and almost always take place within a day of the transaction being agreed. Millions of dollars can cross the globe in a matter of hours tracked only by a secret code, which makes tracking *hawala* transfers virtually impossible.<sup>43</sup>

*Hawala* has long been linked to money-laundering, and recently to terrorist organisations, including al Qaeda.<sup>44</sup> In the wake of September 11, Pakistan and US officials estimate that the Taliban and al Qaeda removed the equivalent of US\$10 million from Afghanistan. The money was taken across the Pakistan-Afghan border and was transferred from Pakistan to Dubai using the *hawala* system.<sup>44</sup>

<sup>m</sup> Final report of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo, S/2002/1146, 8 October 2002; Additional Report of the Monitoring Mechanism on Sanctions against UNITA, 9 April 2002, S/2002/XXXX; S/2001/966, Supplementary Report of the Monitoring Mechanism on Sanctions Against Unita, 8 October 2001; Final Report of the Monitoring Mechanism on Sanctions Against Unita, 18 December 2000; Report of the Panel of Experts in relation to Sierra Leone, December 2000; Expert Panel report S/2002/470 (April 2002), Report of the Panel of Experts appointed pursuant to Security Council resolution 1395 (2002), paragraph 4, in relation to Liberia; Expert Panel report S/2001/1015 (October 2001): Report of the Panel of Experts pursuant to Security Council resolution 1343 (2001), paragraph 19, concerning Liberia.

**Al Qaeda and Tanzanite**

The Federal Bureau of Investigation (FBI) first uncovered evidence of al Qaeda’s interest in tanzanite when they raided the home of El Hage in August 1997 in Nairobi, Kenya. As a result details emerged of the trade in tanzanite (and other precious stones including diamonds) during the 1998 US Grand Jury investigation into al Qaeda in which El Hage gave evidence. Further evidence emerged in the US embassy bombing trials in February 2001 when a self confessed former al Qaeda member, L’Houssaine Kherchtou, revealed that El Hage had corresponded with another al Qaeda member about the use of various commodities as a source of funding for the organisation, including tanzanite<sup>40</sup>. The court also heard testimony and was shown documentation that showed that El Hage was involved in setting up trading companies for the purchase and sale of tanzanite and other gemstones. Documents taken from the August 1997 raid were entered as evidence. These were mainly notebooks and business cards belonging to El Hage. Global Witness has examined the notebooks and they contain multiple entries and references to tanzanite (and many other precious stones) deals. These include numerous lists of quantities sold and profits made. The notebooks also mention sales trips to the Far East, Europe and North America. The fact that this information has been in the possession of US government agencies since 1997, and the lack of concrete action on the issue subsequently is a worrying indictment of the failure to recognise how terrorist organisations are financed.

Al Qaeda’s tanzanite trading network was exposed when the *Wall Street Journal* ran an article on 16 November 2001 about a radical Muslim Imam, Sheik Omari, based in Mererani, in the tanzanite-producing area of Tanzania.<sup>41</sup> According to the *Journal* Omari was openly propagating radical Islamist ideas and had issued edicts from his mosque, that Muslim tanzanite miners should only sell their stones to fellow Muslims. After prayers, the mosque acted as a gemstone trading area. Sheik Omari also declared that the mosque was being built with the proceeds of tanzanite sales:

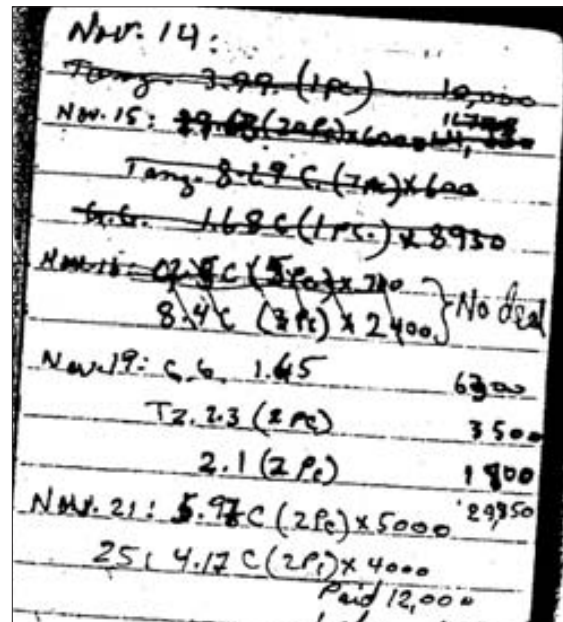
‘This mosque is being built with tanzanite, our Islam is stronger with our efforts to create a Muslim force in this gemstone’.<sup>41</sup>

Following the publication of the article in the *Wall Street Journal* al Qaeda’s links with the tanzanite trade received worldwide press coverage. In the immediate aftermath of the attacks of September 11, this provoked a negative

Tanzanite is only found in a five-mile square radius of Merelani, in northeastern Tanzania, an area bordering Kenya. Its value can vary from hundreds to tens of thousands of US dollars a carat. In 1997, the United States Agency for International Development, (USAID) estimated that smuggled stones constituted nearly 90% of the tanzanite in circulation in the United States,<sup>39</sup> and in 1998, the US Ministry of Commerce estimated that the unofficial world market in tanzanite was worth around US\$300 million.



**Tanzanite stone**



**El Hage’s notebook listing tanzanite deals**

consumer reaction in the United States, where 80% of tanzanite is sold. Sales of tanzanite dropped by nearly 50%, and retail outlets responded by withdrawing any tanzanite merchandise from their shelves.

4. 1.5 G T.	1500
12-4 c. 64 C T.	35000
- Fa Comm	1750
14-4 cutting (Ali)	1930
17-4: 0.95 c T	1000
Ali Comm	50
18-4 = 3055 6.7 C	1100
- 2 C.	3600
- 14.8 C.	10,355
	<u>142,535</u>
21-4: Ali (WT):	577

El Hage notebooks listing tanzanite sales, numbers of stones and carats and prices received

24-4-1.3 C	2100
6 C (2 Pa)	13,125
25-4 2.2 C (over)	3,900
<del>24.6 C</del>	<del>384,180</del>
24.6 C (10 Pa)	82,656
31.2 C (1 Pa)	1000
2.1 C (1 Pa)	3000
2.0 (2 Pa)	2000
3.6 C (7 Pa)	1440
May 7. 84 C (5 Pa)	14175
May 10. 2.65 C (over) (10 Pa)	18500
7 C (7 Pa)	6615

4-5: 1.75 C (1 Pa) (4)	2300
16-5: 2.05 C (1 Pa)	2400
1.25 C (1 Pa)	1000
17-5: 1.35 (1 Pa)	1718
5.6 (7 Pa) (124/10)	8400
5.7 (3 Pa) (100/10)	3885
18-6: 1.6 Garnet 0.25 C	525
19-6 s: 0.3 C	305
19-6: 1.05 C (100/10)	1155
20-6: 1 C Rhodolite (Red)	190
1.45 C	160
28.8 C Topaz	21,000
219 0.8 C, 1.15	1890

**The Tuscon Tanzanite Protocol**

In response to this public concern, the Tanzanian government, the US State Department and tanzanite dealers and wholesalers developed the Tuscon Tanzanite Protocol. However due to the voluntary nature of the Protocol and the complete lack of any government monitoring provisions Global Witness believe the Protocol to be seriously flawed. Following the establishment of the Protocol and after an investigation US government officials hurriedly stated that there was no link to al Qaeda and tanzanite trading.

However former US government officials have not been so quick to discount the probable link between the largely unregulated trade in tanzanite and al Qaeda. William Wechsler, a former counter terrorism expert under the Clinton administration, called the 2001 trial evidence about El Hage's tanzanite trading: 'a clarion call for the US Government to look very closely at this business'.<sup>42</sup>

Global Witness believes there is considerable evidence to suggest that al Qaeda were intimately involved in trading tanzanite. By failing to regulate the trade in tanzanite more stringently, governments and the tanzanite trade have been guilty of astonishing complacency.

Antwerp:   
 Gorbli   
 Appelmannstraat 8   
 2018 Antwerpen   
 Tel: 03 233 9519   
 Fax: 233 7978   
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Hatta is the only one at   
 Hatten's Garden who deals   
 with Semi Precious stones   
 like Tanz   
 Uderground (Farringdon Station)

El Hage notes on diamond and gemstone trip to London and Antwerp December 1995



American Embassy Nairobi P.O. Box 30137 ☎ 334141-150
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Joseph Owile ☎ 822 888 ext J.K.A.P. 200081 189
Shon (Princess) ☎ 219499
JAN LAZAR home fax: 88-7324 Univ. Komenského Fakulta Management. Stred. Gruziny Bratislava Dr. Lubomir Logoz ☎ 7-332161 42 7-3324101
Gordji Jewelers (big finished) 999 Brannan St. #228 ☎ 255 2111/6129 San Francisco CA 94103
IRS D.A. Downing ☎ 512 ☎ 6843957 5936 Fax

Pages from El Hage's telephone address book showing contact details for several diamond and gemstone dealers

Notes El Hage made after a December 1995 tanzanite-selling trip to London and California

ADDRESS Abdelmehab Alagani P.O. Box 51965 ☎ 2338283 Lafayette La 70505 9880694
Ali AL Jamal ☎ 520 ☎ 8926642
A. Farhood ☎ 409 ☎ 2752696
ADLY Dr. ☎ 497 ☎ 7188200 Fax 73188199/399
Alaa Afify ☎ 408 ☎ 2965477 hm 101 N. Curt St. Tampa Scott Bl. L. 3003 Scott Mch ☎ 4377220 off ASHIF ☎
ALPHA Imports N.Y. Inc. 2 West 46th St. Suite 100 ☎ 212 7680599 New York NY 10036
S. Awad / R. Boudjerman Landata 44 ☎ 49 ☎ 72281272 76596 Forbach ☎ 1613721159 Mod.
Ahmed Fawzi (Alm Mutaq) ☎ 852 ☎ 25412724 hm 28159760 off ☎ 28159768 fx
BU DUTANAH ALAMODI ☎ 800 7724 ADAN - KRAITER ☎ 22 55198 Food Product

12-12:  
 Left London 11:15 on AA.  
 arrived L.A. 3:00 p.m.  
 No customs on Tang.  
 Width  
 has = the length x 0.65 = depth  
 will buy rough, he is willing  
 to come over to Nairobi.  
 - Afghan Gems & Minerals Inc.  
 (415) 255 6001 / 6003 Fax  
 999 Brannan St. # 314  
 any amount of raw, \$60, \$80  
 up to \$ 100/gram. (Solah)  
 - Gordji Jewelers  
 415 255 2111 / 6129  
 Jake Gordji  
 999 Brannan St. # 220

Global Witness does not imply that the jewellers mentioned above were conscious of El Hage's true identity when he was approaching them



## Part Two: Diamonds and Terrorism – Precedents

### Diamonds and Terrorism: Precedents

This section outlines the past and current use of diamonds by Hizbullah as a source of revenue and a mechanism for asset transfer. It begins by examining the alleged links between a network of Lebanese diamond traders and their associated companies, and Lebanese terrorist group Hizbullah, before briefly considering the evidence of the past and recent involvement of Hizbullah and AMAL in raising funds from diamond trading in West Africa. It is widely accepted that Hizbullah has been using the rough diamond trade throughout the 1980s and 90s to raise funds, and that it continues to derive financial support from it.<sup>11</sup> Given that Hizbullah's involvement in the diamond trade was an open secret in the diamond trade and intelligence agencies for over a decade, Global Witness

believes that governments and the industry should have recognised the significance of this, and the clear precedent it set for the use of diamonds by al Qaeda, and taken appropriate measures to curb the conflict and illicit diamond trading networks. In July 2000 a Belgian military intelligence report about diamond smuggling from Angola into Antwerp and the part played by Belgium in this illegal trade concluded with the following statement:<sup>53/o</sup>

‘There are indications that certain persons, the ‘Lebanese connection’, mentioned in the diamond smuggling file, also put in an appearance in files on money laundering, the drugs trade and the financing of Lebanese ‘terrorist’ organisations such as AMAL and HIZBOLLAH. This finding gives a whole new dimension to the issue of diamond smuggling, we are NO longer dealing simply with white-collar crime.’<sup>53</sup>

Hizbullah and AMAL are Lebanese militias that have been rivals and during the 1980s outright enemies. During the 1980s AMAL fought against pro-Arafat Palestinians in South Lebanon and then against Hizbullah before reaching a Syrian brokered ceasefire with the latter in 1987. Their historical provenance is interconnected but complicated. To simplify, Hizbullah could be said to have grown out of AMAL<sup>45</sup>. There are conflicting accounts as to which governments support which group, and how the support is given, although it does seem clear that they have in the past both been, and may still be, financed by the Syrian and Iranian governments. Syria currently has over 35,000 troops in Lebanon and controls the top levels of every major political institution in the country<sup>45</sup>.

More recently, both groups have taken on a new political role and since 1995 it has become apparent that Syria is intent on elevating Hizbullah to new political heights. Indeed, the two organisations' historical antipathy does not preclude other strategic alliances and Damascus decided to give them equal representation in Lebanon's parliament through the selection of their joint candidate lists. In the 2000-2005 legislature AMAL holds only eight seats, while Hizbullah has eleven, but according to commentators 'Hizbullah and AMAL southern representatives agreed [...] to intensify cooperation and coordination' under the sponsorship of the Syrians.<sup>46/47</sup>



AMAL is the acronym for Afwaj al Muqawamah al Lubnaniyyah, which translates as 'Lebanese Resistance Detachments'. AMAL also means 'hope' in Arabic. The group was established in 1975 as the military arm of the Lebanese based pro-Shi'ite 'Movement of the Disinherited', set up the previous year<sup>48</sup>. AMAL turned to Syria for sponsorship and sought to change the terms of power in Lebanon in favour of the Shi'ite Muslims, setting aside the 1946 'national covenant' between Lebanon's Christian and Sunnite Muslim populations. Accordingly, AMAL was initially considered a revolutionary party. By 1980 it had become the most powerful militia group within the Shia community in Lebanon. Its secular leader was Nabih Berri. However, Berri lost credibility amongst the poorer Shia community both within Lebanon and overseas, and has been described as 'corrupt and corrupting'.<sup>46</sup> This led the Shia community to transfer their support to Hizbullah, an organisation they believed to be more financially ascetic and ideologically honest. In 1992, Berri won a rigged election boycotted by 87% of the Lebanese people to become the speaker of the Lebanese Parliament.<sup>46</sup>



Hizbullah means 'Party of God' and was created in 1982. Its founders included Shia clerics, military leaders, political figures inside the Iranian government, and disenfranchised Lebanese supporters of AMAL. By 1987, Hizbullah had become the second most important Shia movement in Lebanon after AMAL. Its short-term goal is to establish Islamic rule in Lebanon, modelled on the Iranian regime, and to expel all 'infidels' from Lebanese soil. It advocates armed struggle and rejects any compromise with Lebanese Christians, Israel and the United States. Hizbullah's heartlands are South Lebanon and West Beirut, where its hard-line approach appeals in particular to the young, radical and disenfranchised. It receives most of its funding and arms supplies from Iran and Syria<sup>49</sup>.

<sup>11</sup> It is an open secret within the diamond industry that during the 1980's Hizbullah and AMAL raised significant amounts of money from trading in diamonds in West and Central Africa. This was carried out in Angola, Burkina Faso, Guinea, Liberia, Namibia, South Africa, Tanzania, Congo- Brazzaville, the Democratic Republic of Congo (Zaire), Sierra Leone, Zambia and Zimbabwe.

<sup>o</sup> The report was leaked to the international press in March 2001 before a meeting of the Kimberley Process in Brussels.

**UNITA, diamonds and Hizbullah**

From 1992 to March 2002, UNITA ran the world's largest known and most highly organised diamond and arms smuggling operation.<sup>50</sup> Despite UN sanctions, UNITA's diamond trading activity continued relatively unhindered. It should be noted that the illegal trafficking of diamonds allowed UNITA to continuously re-arm and re-equip, and prolonged the civil war in Angola significantly. Until May 1997, the main route for UNITA's diamond exports and arms procurement was the DRC.<sup>51</sup> The trafficking had the full backing and cooperation of the then President, Mobutu Sese Seko, whose son Mobutu Kongolo (Head of the Presidential Guard) and closest Generals, Honore N'Gbanda, (Head of the Special Presidential Division) and Kapama Baramoto (Head of the Special Council on Security Matters) worked closely with UNITA leader Jonas Savimbi.<sup>52</sup>

The Belgian military intelligence report into the diamond trade in Belgium identified several Lebanese diamond traders as having links with Hizbullah and as having bought diamonds from UNITA before and after the imposition of the UN diamond embargo in July 1998.<sup>53</sup> The same report details these diamond traders and several companies associated with them, of having links to organised crime and of being involved in money laundering and drugs trafficking. Similarly, from 2000 – 02 during the UN investigation into the violation of Angolan sanctions, five Western and African intelligence sources pointed to the involvement of a Lebanese diamond trading network that was buying diamonds from UNITA before and after the imposition of sanctions in July 1998.<sup>P</sup>

The five Western and African intelligence agencies specifically named the Ahmad family and two Antwerp-based companies called Triple A Diamonds and Sierra Gem Diamonds as having bought diamonds from UNITA. Triple A Diamonds was also named in March 2000 in the Report of the Panel of Experts on Violations of Security Council Sanctions Against UNITA, otherwise and hereafter known as the 'Fowler Report' as one of the companies violating the UN diamond sanctions on Angola.<sup>54</sup> This allegation was never refuted by the company, however Sierra Gem Diamonds strenuously denied the allegations levied against them.

To summarise, according to the Belgian military intelligence report:

- Triple A Diamonds was connected in 1993 with the trade in diamonds from UNITA;
- The company is apparently controlled by the Nassour family and is closely connected to Sierra Gem Diamonds (see Annex 2 for corporate information);
- Triple A Diamonds sold large numbers of diamonds and resulting monies were apparently transferred via Switzerland to Lebanon, Iran and Syria;
- The Nassour family has family ties (through marriage) with the Ahmad family;
- According to the report, the Ahmads manage monies for AMAL and Nabih Berri,<sup>9</sup> some of which is apparently invested in the diamond trade at Antwerp.

Ali Said Ahmad, a director of ASA Diam, has repeatedly denied that the family has any links with AMAL or Nabih Beri, the Sierra Leonean-born speaker of the Lebanese parliament. In an interview with Belgian newspaper, *Le Soir*, on 8 November 2002, Ali Said Ahmad denied any link with AMAL:

'we have no connection to the AMAL group; we have no ties to Nabih Berri. I wish I did, because then I would be a rich man. It is also rubbish to say we managed their money.'

**Imad Bakri, UNITA and arms trafficking**

Another Lebanese diamond trader who has been particularly active in Africa and who has reported ties to Hizbullah is Imad Bakri.<sup>55</sup> Bakri had close ties with President Mobutu in the former Zaire, working closely with Zairian generals to arm UNITA.<sup>54</sup> The Fowler Report notes that from 1995-96, until the fall of UNITA's stronghold of Andulo in October 1999, Bakri served as the Angolan rebels' primary broker for importing arms and military equipment. According to the Fowler Report, General Jacinto Bandua testified that in January 1996 he was given responsibility for UNITA's strategic procurement, and travelled to Kinshasa where he was met on arrival by one of Mobutu's officials.<sup>55</sup> Contact was then arranged with General Nzimbi Wale Kongo Wabase (commander of the 'Division Speciale Presidentiale') and, on Savimbi's specific instructions, Bandua also made contact with a Lebanese arms merchant who was known as Imad Kabir (believed also to be known as

<sup>P</sup> Information supplied to Global Witness by UN Expert Panel member stated that the five intelligence agencies had passed on information that confirmed the companies UNITA diamond buying activity.

<sup>9</sup> Nabih Berri is the current speaker of the Lebanese parliament and the head of AMAL.

The section of the Belgian intelligence report which names Bakri and Triple A Diamonds has been translated below. [The original version of the relevant section is reproduced below and in complete form on page 89.]

(y) TRIPLE A DIAMONDS NV

Connected in 1993 with the trade in diamonds from UNITA. This company is established at ANTWERP, Schupstraat 20, PO Box 16. Deputy director is AHMAD, Ali Ahmad<sup>148</sup>. The directors are AHMAD, Hassan<sup>149</sup>, AHMAD Afif and RUSTOM KARIM, Ali. TRIPLE A DIAMONDS is apparently a branch of "SOLEMAN" SIERRA GEMS DIAMONDS<sup>150</sup>. TRIPLE A is apparently controlled by the Lebanese NASSOUR family<sup>151</sup> which is mentioned in files about laundering drugs money and the financing of terrorist organisations in the MIDDLE EAST. Apparently, large numbers of diamonds were bought in AFRICA and sold with non existing profit margins in ANTWERP. The money was apparently transferred via SWITZERLAND to LEBANON, IRAN and SYRIA.

The NASSOUR family has family ties (through marriage) with the AHMAD family. Both families are, together with the Lebanese KANAFFER, connected with the printing of false money.

The AHMAD family apparently has large facilities available in LEBANON, through their contacts with AMAL. They are apparently active in real estate and own an oil refinery.

In compensation, they manage monies for AMAL and Nabih BERRI, some apparently invested in the diamond trade at ANTWERP. TWO members of the AHMAD clan, Said Ali and Suleiman Ali, were victims of an attack by BOUHOUCHE Madani on the 2nd of September 1989. Said Ali was seriously injured and Suleiman Ali was killed.

<sup>147</sup> BAKRI, Imad headed the firm 'BYBLOS' in ZAIRE, which was directly tied to MOBUTU'S entourage. BAKRI apparently multiplied his activities after the then prime minister KENGO had expelled the Lebanese. He worked together with the generals NZIMBI and BARAMOTO.

<sup>148</sup> AHMAD ALI SAID is regarded as the Godfather. He apparently has an excellent relationship with AMAL leader Nabir BERRI.

<sup>149</sup> Also Deputy Director of ALPHA ALPHA, BETA ALPHA, AMIRA AYA and manager of ANAR BELGIUM. He is generally known as a very wealthy person who was apparently trained in engineering in the US.

<sup>150</sup> Deputy Director is AHMAD Nazem. The managers are AHMAD HASSAN, Said, AHMAD SAID, Ali and AKRAM, Salioum.

<sup>151</sup> NASSOUR Hassan is apparently active in NAMIBIA without a work or residential permit. He apparently took over a firm on the border with ANGOLA. Other members of the NASSOUR clan reside in KISANGANI (CONGO), particularly (H) Ikmat (Belgian, born in LEBANON on the 11th of May 1965) and his brother RADWAN (British passport). After the incidents from the 5th-7th May 2000 between Ugandan and Rwandan troops at KISANGANI the NASSOUR brothers tried to leave the city. They apparently had a large consignment of diamonds which they tried to get out by any means possible. They attempted to charter an AN-8 plane with a Russian crew, but because of safety fears the pilots refused to fly to KISANGANI.

Emad/Emat Bakir). Kabir was part of Mobutu's entourage and had been introduced to Savimbi by Mobutu in 1995. Bandua learned that Kabir had been purchasing weapons for Savimbi that were being delivered to Kinshasa. Bandua personally met Bakri, known to UNITA as 'Imad', on several occasions when Bakri visited Andulo to meet Savimbi to discuss arms deals.<sup>55</sup>

According to Bandua, Bakri had entered into UNITA's diamond trading network when he arrived in Luzamba in mid-1995 as a diamond buyer. By late 1996, he had become a supplier of arms to UNITA and at the end of 1996 weapons were moved into Kinshasa. Bandua personally inspected the weapons in the warehouse of Mobutu's Presidential Guard, near Ndili Airport.<sup>54/55</sup> Bandua has confirmed that it was Bakri who first involved the notorious Russian arms dealer Victor Bout into the arms trafficking operation using Zairian EUCs.<sup>r</sup> Bakri would offer UNITA an inclusive package, which would include the air transport costs and the weapons. However, Savimbi became suspicious that not all the weapons that UNITA had paid for were being delivered, and Savimbi asked Bakri to bring Bout into Angola so that UNITA could deal directly with him, which they first did in February 1998, with Bandua meeting Bout in Andulo. Following the fall of Mobutu in May 1997, UNITA began to re-source its arms via Togo and after May 1997 Bakri acted as intermediary for the delivery of arms.<sup>54/53</sup>

Press reports after the assassination of President Laurent Kabila in the DRC in January 2000 stated that the brother of Imad Bakri, Yousef Bakri, was one of 11 Lebanese nationals, all diamond dealers, executed for alleged

involvement in the assassination, and reported that Hizbullah had pressured for the return of their bodies to Lebanon.<sup>56</sup> Enquiries by Global Witness appear to confirm this story.

### **Current links between Hizbullah and Angola**

A recent press report has suggested that Hizbullah may have established an operational base in Angola. On 28 October 2002, an investigation by the *New Yorker* magazine into the activities of Hizbullah in the notoriously lawless Tri-border region of Paraguay, Argentina and Brazil quoted a regional investigator as saying that a Hizbullah cell leader, Karim Diab, based in Incarnación, Paraguay had been 'sent to Angola to start a Hizbullah cell there'.<sup>57</sup> Similarly the *Financial Times* reported on the activities of Hizbullah in the Tri-border region and named a Hizbullah fundraiser Abbas Abdallah who it was stated was also now in Angola.<sup>58</sup>

Although these reports present only circumstantial evidence, Global Witness believes that what it highlights is the fact that failed states such as Sierra Leone, DRC and Angola with easily accessible high-value resources, such as diamonds, are bound to be highly attractive to criminal and terrorist organisations. During Angola's long-running civil war, many different individuals and organisations gained access to UNITA and their considerable diamond resources. With the death of Savimbi and the advance of peace throughout the country, it will be important to ensure that those elements of the diamond trade that have known links to Hizbullah or any other terrorist group are prevented from consolidating their existing foothold in the Angolan diamond industry.

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<sup>r</sup> An end-use certificate is a trade security control document. It is used by supplier governments for (certain) arms and other transfers to (certain) recipients. They generally verify, by signatures from the supplying and recipient companies and/or governments, the final destination of the transfer (end-user). The document in most cases assures that further transfer without the approval of the original supplier government is unlawful.



### **Hizbullah in Sierra Leone**

It should be emphasised that the aim of this section is not to stigmatise the Lebanese community in Central and West Africa. The majority are not involved in supporting the extremist activities of Hizbullah. There are, however, individuals within the community who are sympathetic to the aims and ambitions of Hizbullah, and some of these individuals are diamond traders. We also note, below, that some, 'support' is obtained by force.

The Lebanese community in Sierra Leone has a long history of interaction and involvement with the diamond trade. The majority of the Lebanese community are Muslims and around 90% of them are Shi'ite, from Tyre and South Lebanon.

Lebanese businessmen control many key businesses in Sierra Leone, such as building materials, foodstuffs and, in particular, diamonds. In some diamond towns, such as Bo and Kenema, virtually all businesses are owned and run by Lebanese traders. During the 1980s the share of Sierra Leonean diamond dealing licences held by Lebanese traders increased from 15% to 78%.<sup>65</sup>

AMAL and Hizbullah have used various tactics to gain financial support from some individuals within the Lebanese community in Sierra Leone. Tactics have included appealing to their religious convictions, appealing to their Lebanese identity or using threats and even outright violence. A 1999 Ph.d thesis by anthropologist Casper Fithen explores how both AMAL and Hizbullah exploited their position in Lebanon to tax the Lebanese communities abroad.<sup>66</sup> Although the ten-year war in Sierra Leone (1991–2001) and the improvements in conditions in Lebanon have prompted many Lebanese to return to Lebanon, for those who have stayed, political divisions within the Shia community have not dramatically changed. According to Fithen, in 1996-97 it was not uncommon to see AMAL calendars and pennants hanging in Shi'ite-owned shops in Kono district.<sup>67</sup> These political divisions and how they impact on the diaspora community in Africa, particularly West Africa, are examined in more detail below.

In 2000, a EU official tracking the movement of conflict diamonds by Lebanese organisations noted: 'Hizbullah is active and deeply involved in many businesses across the region. It is only a small part of the Lebanese community that is sympathetic, but many people contribute to them just to keep Hizbullah off their backs'.<sup>68</sup> On 13 February 2002 Joseph Melrose, the former US ambassador to Sierra Leone, testified before the US Senate Committee on Government Affairs that he was almost certain that diamond traders in Sierra Leone have traded with groups such as Hizbullah and al

Qaeda: 'In the case of Hizbullah a connection has existed for years through various Lebanese groups [in Sierra Leone]'.<sup>69</sup> John E. Leigh, ambassador of Sierra Leone to the United States also testified at the same hearing that: 'It is not surprising that al Qaeda and Hizbullah operatives are busy in West Africa buying under-priced, looted Sierra Leone diamonds and fencing them in Europe and elsewhere'.<sup>70</sup>

### **Lebanese politics and Sierra Leone's diamond trade**

There has been an interesting interplay between Lebanese domestic politics during the successive wars in Lebanon, and the Lebanese community in Sierra Leone, in particular in relation to the diamond trade. This section will explore how elements of the war in Lebanon began to be played out in Sierra Leone and how its influence is still being felt today across the region.<sup>71</sup> According to a Lebanese Shi'ite resident in Kenema who was interviewed by Fithen, AMAL representatives used to raise funds from Lebanese diamond traders.

'Maybe every two or three months or so, [a Kenema community leader] would call small groups of us round to his house. Firstly, he would give us a report on how things were going for Amal back in Lebanon, you know, what Berri was doing and whether ground was being lost or gained. Then we would all sit down and talk about contributions – everyone pretty well knows how everyone is doing – so [the community leader] knew how much everyone could afford. It was just a small percentage of monthly earnings – if people were in the shit they didn't have to pay – it was no problem. You know, nobody ever complained, in fact everyone I knew was happy to help – it was for our people back in Lebanon and we all wanted them looked after. I just used to send parcels [of rough diamonds], what happened to them I don't know – either they were sold for cash in Antwerp or Lebanon or Israel or whatever, it wasn't my problem – I knew that the matter was in good hands. It's just the same now – we get a visit and we make a contribution, or they could make trouble for us. The only difference is none of us want to give money to these assholes.'<sup>72</sup>

According to Fithen, however, while it was possible to find out about AMAL's fundraising activities, information about Hizbullah's activities in West Africa was much harder to come by for the following reasons:

## Jamil Sa'id Mohamed

Jamil Sa'id Mohamed was a prominent Lebanese and Sierra Leonean citizen who died in London in 1999. Through his powerful network of business, political and personal contacts he became a major player in fundraising efforts for AMAL in Sierra Leone and Lebanon.

Born to a Shi'ite Lebanese father and Sierra Leonean mother, Mohamed was an influential businessman who made his money in diamonds. His business, the National Diamond Company (NDC) controlled a large part of the diamond production and trading in Sierra Leone under Presidents Siaka Stevens (1971-85) and Joseph Momoh (1985-92). Mohamed's prominence in the trade was of great interest to Israel 'not least because part of the Sierra Leonean Shi'ite community actively supported the AMAL faction, who on the one hand fought against Israel's greatest enemy, Hizbullah, and on the other was Syria's main ally against Israel'.<sup>71</sup>

Mohamed also had business interests in oil, fisheries and rice trading. Mohamed was a childhood friend of AMAL co-founder and the current speaker of the Lebanese Parliament Nabih Berri, another Sierra Leonean-born Lebanese. This fortuitous relationship proved pivotal in Mohamed's rise to power in Sierra Leone and his survival when events conspired against him. In a 1988 article, Stephen Ellis states that Berri helped Mohamed to establish contact with leaders in the post revolutionary Iranian government, which supported Hizbullah.<sup>77</sup> This contact was later to help him to build his power base in Sierra Leone by providing crucial financial and material support to the Government of Sierra Leone when it was on the verge of bankruptcy.

Mohamed's pivotal role in supplying Sierra Leone with oil meant his influence in government dramatically increased. Mohamed was nicknamed the 'White President' of Sierra Leone because of his powerful influence over President Stevens and this influence enabled Mohamed 'to play a key role in the installation of an Iranian diplomatic mission in Sierra Leone in 1983'.<sup>77</sup> When the first Iranian Ambassador arrived, it was Mohamed who welcomed him at the airport. Ellis believes that the purpose of the new mission was not just the development of diplomatic relations between the two countries: 'In a short time, the Iranian embassy in Freetown acquired the reputation of being the centre of Iran's spy network for all West Africa'.<sup>77</sup> An Iranian 'cultural centre' was also set up in Freetown but its doors were never opened to the public.<sup>78</sup>

Mohamed was not the only Lebanese businessman to gain power during Stevens' presidency. As other Lebanese traders gained wealth they maintained a range of contacts with Lebanon. Many diamond dealers recruited mercenaries from Beirut to build their own private security forces and Mohamed controlled the largest of these private militias, a 500-man strong force consisting predominantly of Palestinian fighters.<sup>79</sup> One by-product of this was that the many internecine conflicts and alliances from Lebanon's wars were transported to Sierra Leone.

In 1985 Stevens, by then in his 80s and in failing health, chose General Joseph Saidu Momoh to be his successor. Momoh was wary of Mohamed's influence over Stevens and chose instead to deal with Shabtai Kalmanovitch, who had opened a branch of his company, LIAT Finance and Construction, in Freetown in 1985. Born in Russia, Kalmanovitch had emigrated to Israel, and was later believed to be in the service of Israel's intelligence agency, Mossad, and the KGB. Kalmanovitch became a 'funding' partner of Momoh's and gained diamond concessions that accounted for the majority of the mining areas. In exchange for these LIAT, was required to expel the illicit traders and install a private monopoly answerable to the president, boosting revenues under his control.<sup>80</sup>

Mohamed sought to recover his financial and political position by extreme means. He first tried to set up a funding deal between Momoh and the chairman of the Palestinian Liberation Organisation (PLO), Yasser Arafat, with a US\$10 million proposal for the rights to use a small Sierra Leonean island as a PLO training base. Despite a personal visit to Freetown by Arafat in 1985, Momoh rejected the offer. In March 1987, Mohamed attempted to stage a coup against Momoh. The coup failed and Mohamed fled to London, where he remained in exile for most of the early 1990s.



**President Momoh  
1985 - 1992**

**President Siaka  
Stevens 1971-1985**



'Support for Hizbullah does exist within the Sierra Leonean Shi'ite community, but any radical religio-political extremism remains shrouded by the Shi'ite doctrine of taqiya, the 'concealment' so central to Shi'ite orthodoxy. Informants prepared to discuss diaspora support for AMAL were very reluctant to discuss community links with Hizbullah. The two groups had been in bitter fighting until a Syrian-brokered peace deal was signed in 1990. This intra-Shi'ite schism is a delicate matter in diaspora politics<sup>73</sup>.'

It is extremely difficult to find evidence of overt support for Hizbullah and, as will be seen below, the development of militia groups in Lebanon as the various conflicts progressed divided the diaspora community in West Africa. According to one person interviewed by Fithen:

'We Shi'a [in Sierra Leone] have nothing in common with these crazies [Hizbullah] [...] we drink whisky, gamble and enjoy life. It's just a few young idiots and some dealmakers who should know better'.<sup>74</sup>

However, Fithen believes that some Shi'ite businessmen were arranging favourable contracts (in oil, rice and fish) through Freetown's Iranian embassy. In return, they were expected to perform some pro-Hizbullah proselytising and provide some financial support. Indeed, rumours of connections between Hizbullah and the West African diamond trade, in particular the Sierra Leonean trade, remain strong today.<sup>75</sup> There are stories of Hizbullah delegations visiting West Africa on fund-raising missions and even using the Côte d'Ivoire as a protected tourist destination for their families.<sup>75</sup>

Deep-rooted political differences between Israel and Lebanon have not prevented diamond traders from these countries from doing business with each other. One Lebanese trader interviewed by Fithen commented:

'Why should we want to fight the Jews? Because Tehran tells us to? Who the hell do they think we're selling our diamonds to? Last week I had two Hassidim from Antwerp stay here in my house, and I treat them as my friends!'<sup>76</sup>

The text box on page 25 outlines in more detail the history of Jamil Sa'id Mohamed, one of



Diamond dealers advertising hoarding, Kenema, Sierra Leone, 2001, Global Witness ©

the key Lebanese figures in the Sierra Leonean diamond trade. His activities exemplify the complicated links between Lebanese politics and the business activities of the Lebanese diaspora in Sierra Leone.

### **The Lebanese presence in Côte d'Ivoire**

Côte d'Ivoire, which borders Liberia, was until the recent outbreak of the civil war in September 2002, West Africa's leading economic success story and a stabilising force in the region. Côte d'Ivoire is also home to a community of several thousand Lebanese, many of whom fled the devastating civil war in Lebanon which began in 1975. Lebanese immigration further increased after the Lebanese-Israeli war of 1982.

Again, as academic commentators have noted, the politics of the wars in Lebanon, which have continued from 1975 up to the recent past, were, and continue to be, replicated in the Lebanese diaspora communities around the world. In particular, the development of armed militias in Lebanon left a distinct mark on the African Lebanese community, dividing the Shi'ia from other Lebanese in West Africa, as also occurred in the case of the Lebanese diaspora in Sierra Leone. With regard to Côte d'Ivoire, according to Didier Bigo:

'[f]inding work within one's villages or district is far less a matter of religious denomination than [of] whether one's political allegiances are to the Christian Phalange, the Druze militia, to AMAL or Hizballa, or whether one subscribes to pro-Syrian or pro-Palestinian ideologies'.<sup>81</sup>

Furthermore Bigo states that:

'Individuals are required to support the war effort in Lebanon. Much as in Beirut itself, the youngest members of the community are

<sup>74</sup> A range of diplomatic sources in West Africa and regional investigators; 2000–2003.

recruited to collect these dues while recent arrivals are continuously having the good fortune of their immunity from the war impressed on them, and their moral obligation to make at least a financial contribution to national liberation or to the new Lebanon.<sup>182</sup>

Bigo claims that on occasion this pressure develops into an outright racket, in which organised gangs supporting the militia groups attack commercial premises. However, these attacks tend to be concealed within the community to avoid a negative image.

As with Sierra Leone, divisions along ideological lines within the Lebanese community made room for the militias to provide structures that replaced traditional authorities. Perhaps the group with the most direct militia connection to Côte d'Ivoire, and the one with the strongest control over its members, is AMAL, which even set up its own police force to carry out surveillance on new Lebanese arrivals in Côte d'Ivoire. Nevertheless, as Bigo notes, it is important not to see the whole Lebanese community as providing funding for and supporting Lebanon's various militias:

'The most credible hypothesis is that of a Lebanese jihad network which, unknown to the rest of the Lebanese community, has taken advantage of conditions in Côte d'Ivoire and of the structure of the diaspora to enable the passage through Abidjan of members of the organisation who have relatives there. Far from

recruiting on the spot, this network would continue to operate anonymously and this includes family connections that are not informed of the undercover activities of Lebanese immigrants.<sup>183</sup>

### **Conclusion: The worldwide diamond industry and terrorist fundraising**

For over 20 years the diamond industry and governments have maintained a worrying silence over the diamond-trading and fund raising activities of groups such as Hizbullah and AMAL, despite the fact that, as this report shows, AMAL and Hizbullah's past and current links with, and involvement in, the African diamond trade are well-known. This failure to act has ensured that the entrenched illicit diamond trading networks in Africa have been able to flourish, creating the blueprint for al Qaeda's subsequent infiltration of the diamond trade.

The indifference shown to this issue by governments may partly be due to difficulties in gathering evidence suitable for criminal prosecutions. Nevertheless, if the international community and the diamond trade are genuine in their stated desire to tackle the problem of conflict diamonds, they have to address the ease with which terrorists like Hizbullah have accessed the diamond trade and used it to finance their activities. The logical forum for this is the Kimberley Process.



## Part Three: al Qaeda and Diamonds

Global Witness' research and investigations to date have uncovered a systematic and well-established use of diamonds by al Qaeda. Diamonds are used in four ways:

- As a means of raising funds for al Qaeda cells;
- To hide money targeted by financial sanctions;
- To launder the profits of criminal activity;
- To convert cash into a commodity that holds its value and is easily transportable.

As yet it has not been possible to ascertain with any certainty the values and quantities of diamonds traded and moved. However, it is very clear that al Qaeda has sought to develop trading routes throughout Africa and that some of these diamonds are entering world supply. The activities of al Qaeda operatives in Sierra Leone and Liberia that came to light in late 2001 are not an isolated example. In fact as al Qaeda has developed and built networks across Africa, so its diamond trading has developed. Those leading reform in the diamond trade and those governments active in the Kimberley Process, should note with alarm that three of the operatives involved in the attacks on the US embassies in Kenya and Tanzania, were an important and active part of al Qaeda's diamond trading activities. They traded, with apparent ease, across Africa; countries where they were active included, Angola, Central African Republic, the DRC, Guinea,<sup>v</sup> Liberia, Kenya, and Tanzania.

In order to better understand how al Qaeda became involved in diamonds and developed its trading networks, Global Witness has focused on two case studies: firstly, the early development of trading in Kenya and Tanzania between 1993-97; and secondly, the large operation in Sierra Leone and Liberia between 1998-2001. These two case studies help to illustrate the way in which al Qaeda was able to take advantage of existing diamond smuggling routes to build their own diamond-trading structure.

Al Qaeda's involvement in diamond trading in Liberia is also of great interest and concern because it points to a linkage between shadow states, regional instability and terrorism. Al Qaeda was able to benefit from existing

structures set up by President Taylor to launder RUF diamonds through Liberia and to personally profit in the process. In addition al Qaeda was able to move personnel between countries and to hide them when necessary. This combination of profit and operational advantage is an issue that the international community must tackle if there is to be any serious attempt to address long-term regional instability.

### Kenya and Tanzania 1993 –1997

This section examines evidence that, between 1993-97, two senior al Qaeda members, Abu Ubadiyah al-Banshiri, an alleged co-founder of al Qaeda, and El Hage, bin Laden's personal secretary, masterminded the trading of rough diamonds and other gemstones from Kenya and Tanzania and the establishment of diamond, gold and tanzanite mining companies there. In addition, it presents evidence that three al Qaeda operatives, Abdullah Ahmed Abdullah, Ahmed Khalfan Ghailani and Fazul Abdullah Mohammed went on to use the knowledge that they gained from al Qaeda's diamond-trading operations in East Africa to establish a diamond-buying and laundering operation in Liberia and Sierra Leone in 2000-2001.

The evidence presented in the first section includes testimony given during the trial of al Qaeda operatives for the 1998 embassy bombings, which was held in the United States in 2001. Documentation presented to the trial has also been examined by Global Witness to reveal a pattern of diamond and gemstone trading far larger than previously known. A Grand Jury investigation into al Qaeda was held in September 1998 and transcripts of that investigation have been examined too. A close reading of the trial transcripts shows that the use of diamonds as a means of revenue generation was part of a concerted effort and a deliberate strategy by al Qaeda. What emerges during the trial is that from early 1993 onwards, the year when al Qaeda was in financial difficulty after the Sudanese government had failed to honour contracts to bin Laden, a coordinated attempt was made by al-Banshiri and El Hage, through the Kenyan and Tanzanian al Qaeda cells, to use diamonds, tanzanite and rubies with the aim of making the cells financially self-sufficient. Court transcripts reveal the following:

- al Qaeda and individuals connected to the organisation bought property in Tanzania in order to mine diamonds;
- al Qaeda established diamond and gem mining and trading companies in Kenya and Tanzania;

<sup>v</sup> Information has recently surfaced that suggests the same al Qaeda operatives were active in buying diamonds in Guinea from late 1998 to early 2000. Global Witness are attempting to confirm these allegations.

**Ashif Mohamed Juma –  
al-Banshiri's brother-in-law**

- Q. Did you ever work with Jalal [aka al-Banshiri] in any kind of a business?
- A. Yes, we had started a mining business in Tanzania.
- Q. And approximately when did you start this mining business in Tanzania?
- A. Early '93.
- Q. And what was this mining business going to mine?
- A. Sorry?
- Q. This was a mining business, what was it going to mine?
- A. Diamond and gold.
- Q. What was going to be your role in this business?
- A. I was one of the directors.
- Q. Was there anything else you were going to do for the business?
- A. Well, my role was mostly that I was processing the paperwork all about license and to go all around the place because I knew Tanzania very well, and the Tanzanian government, it says that you have to be – a foreigner can't work, do any business in Tanzania without any local person in Tanzania. And since I was Tanzanian, so it was easier for me to go around.
- Q. Do you recall what the name of that mining business was?
- A. Taheer Limited.
- Q. And who provided the money to start up this mining business?
- A. Mr. Jalal.
- Q. Did you ever invest any of you personal money in this business?
- A. No sir.
- Q. Did any members of your family invest any money in this business?
- A. No sir.
- Q. Were you paid a salary by this business for the work you did?
- A. Yes. In the starting I was paid US\$200 a month.
- Q. Who paid you that US\$200 a month?
- A. Mr. Jalal, and he paid me for about five months, six months.
- Q. At the time do you know where Jalal was getting the money to pay you this US\$200 a month?
- A. No sir.
- Q. Did this mining business ever actually operate?
- A. No sir.

- al Qaeda sold diamonds (and other high value gemstones) through middlemen and operatives in Belgium, China, Cyprus, Hong Kong, Jordan, Japan, Korea, Senegal, Sudan, Singapore, Thailand, the United Kingdom and the United States;
- an al Qaeda member had connections with an individual or individuals in the diamond trading and producing countries Liberia and Angola.

The financial self-sufficiency of its cells is of great strategic importance to al Qaeda. Cells which have no need for direct financial support from the al Qaeda supreme command are particularly difficult to infiltrate and monitor, and can operate for years without notice, as there is no papertrail or electronic communication (SIGINT) for intelligence agencies to track back to the command structures. Terrorist groups, and particularly al Qaeda, have learned to keep ahead of attempts by law enforcement agencies to cut off their funding by diversifying their sources of revenue and financing networks. Since the September 11 attacks, the use of informal money transfer systems such as hawala by terrorists is becoming increasingly monitored, thus making the use of legitimate business sectors, which are not well-regulated and where there is a high profit margin, extremely attractive to them. As this section will show, the diamond trade falls firmly into this category.

**Kenya and Tanzania**

On 7 August 1998, at 10.30 am, bombs were detonated simultaneously at the US embassies in Nairobi, Kenya, and Dar es Salaam, Tanzania. Two hundred and twenty four people were killed and over 4,500 people injured in the attacks. Several suspects were immediately arrested and charged in the United States and Tanzania. A Federal Grand Jury in New York returned a 238-count indictment on 4 November 1998, charging



**Tanzanian embassy bombing**

bin Laden and his associates with the embassy bombings and other acts of terrorism against US nationals overseas, and the detainees were charged with being key al Qaeda operatives. The FBI indicted many other individuals for involvement in the operation to bomb the US embassy in Nairobi, among them El Hage, Abdullah Ahmed Abdullah, Ahmed Khalfan Ghailani and Fazul Abdullah Mohammed.<sup>85</sup> The latter three suspects were later to re-emerge in Sierra Leone and Liberia buying diamonds from the RUF in 1998, 1999 and 2001.



US embassy bombing in Kenya

The FBI investigation into the US Embassy bombings alleged that Abdullah Ahmed Abdullah was the mastermind behind both attacks. The day before the bombings, 6 August 1998, Abdullah fled with Fazul Abdullah Mohammed to Pakistan and both were later sighted in Liberia. Based on telephone intercepts, European intelligence analysts believe that, as of late 2002, he had relocated to Lebanon. Global Witness believes Abdullah is a key figure in the al Qaeda diamond-trading network. Also convicted of involvement in the Tanzanian bomb attack were Ahmed Khalfan Ghailani and al Qaeda computer expert Fazul Abdullah Mohammed. Mohammed and Ghailani both went to Burkina Faso, Liberia and Sierra Leone to buy diamonds.

The transcripts from the US trial in 2001 reveal that in early 1993 al-Banshiri established a diamond and gold mining company called Taheer Ltd in Tanzania. Global Witness believes this may have been a front company used to launder illicit diamonds, possibly from the eastern region of the DRC, which shares a long border with Tanzania along Lake Tanganyika, and which has a history of diamond smuggling activity. Al-Banshiri's fellow al Qaeda operative, El Hage, sold diamonds for al-Banshiri in Kenya and in 1994 followed al-Banshiri's example and set up a gemstone mining and trading company in Tanzania called Tanzanite King. Al-Banshiri's death in a ferry disaster on Lake Victoria in May 1996 forced El Hage to find a new trading

### Ashif Mohamed Juma

- Q. Are you familiar with a company known as T-A-H-E-E-R Limited?
- A. Yes.
- Q. Why don't you tell the Grand Jury what Taheer Ltd is?
- A. It's a company that was formed by this person here.
- Q. And you're pointing to the person depicted in Grand Jury Exhibit 2, with today's date, correct?
- A. Right.
- Q. Who else was involved in the company known as Taheer Ltd.?
- A. Adel Habib [aka al-Banshiri]
- Q. Abdel Habib.
- Q. The person you identified in the photo depicted as Grand Jury Exhibit 6 with today's date?
- A. That's true.
- Q. So those two gentlemen, the person from Grand Jury Exhibit 2 and the person from Grand Jury Exhibit 6, were in business together at Taheer Ltd.?
- A. Yes.
- Q. What kind of business?
- A. I think mining.
- Q. Mining?
- A. Yes.
- Q. Where?
- A. In Tanzania

### L'Houssaine Kherchtou – former al Qaeda member

- Q. Did you ever see Wadih El Hage with Abu Ubaidah Al Banshir in Kenya?
- A. Yes.
- Q. Was that on one occasion or more than one occasion?
- A. More than one occasion.
- Q. Did Wadih El Hage ever discuss whether or not he was involved in business with Abu Ubaidah Al Banshiri?
- A. Abu Ubaidah al-Banshiri was bringing in some diamonds, but it was only once, I think, from Tanzania, so as Wadia, he can sell them for him.
- Q. Do you recall where this occurred?
- A. I have never seen Abu Ubaidah giving diamonds to Wadih directly, but Wadih told me that he used to give him some diamonds so as to sell them for him.
- Q. Do you know if Abu Ubaidah Al Banshiri owned any property in Tanzania?
- A. Yes.

Q. Do you know what kind of property he owned there?

A. It was land.

Q. Did you ever learn what the purpose of the land was in Tanzania?

A. He said that they wanted to bring some excavators and some other machinery so as to dig and look for diamonds.

Q. Do you know if Abu Ubaidah al-Banshiri ever obtained the excavators or machinery to look for and dig up the diamonds?

A. No.

### **Odeh – Wadih El Hage's business partner**

Here Odeh is being questioned by the prosecution of his relationship with El Hage.

Q. Did you become friendly with Wadih?

A. Yes

Q. Did you visit his home?

A. Sometime, yes.

Q. Did any other family members become friendly?

A. Yes.

Q. Could you explain that to us.

A. We start talking about business and he told me that he also dealing in gemstone and sometimes exporting to America. For that he suggested if we can do business with each other.

Q. The business that you described the type of business that you were doing at that time?

A. At that time I was doing gemstone business.

Q. What type of gemstone?

A. Sometimes amethyst, ruby, sapphire, white chrysoptase.

### **Getting into business together**

Odeh went onto describe how Wadih El Hage and he decided to go into business together for the purposes of buying and exporting diamonds and gemstones.

Q. Did you start doing business or try to discuss becoming a partner with Mr. El Hage?

A. Yes. We plan to start some business in the same field which is I am interested, gemstone business.

Q. Did you learn at the beginning of your relationship with Wadih what gemstones he was mostly dealing with?

A. What he told me, tanzanite and some diamonds to America.

partner, a vacancy filled by an apparently unwitting Jordanian gemstone trader called Mohamed Ali Muraweh Saleh Odeh, who was based in Nairobi. When the FBI raided El Hage's house in August 1997, they found detailed evidence indicating his wide involvement in the international diamond and gemstone trade.

Al-Banshiri was a senior member of the *Majlis al Shura* (Consultative Council) of al Qaeda. He was also the emir or head of al Qaeda's military committee. According to Hasan al-Seraihi, al-Banshiri was present at the meeting that established al Qaeda and the idea of creating an international army to fight for the Islamist cause.<sup>w/89</sup> Because the Kenyan and Tanzanian operations were deemed important, al-Banshiri was given leadership of the Kenyan cell.

During the 2001 US trial of the embassy bombings suspects, al-Banshiri's brother-in-law, Ashif Mohamed Juma, (who called al-Banshiri 'Mr Jalal') testified for the prosecution as to al-Banshiri's diamond mining interests.<sup>87</sup> Global Witness believes, al Qaeda was using the firm's mining licence for another covert reason, to launder diamonds. As with many small-scale diamond mining operations in Africa, diamonds are often smuggled into mines and passed-off as the mine's own production often to evade tax. National export and sales tax regimes vary considerably: even a 1%-2% difference can mean a substantial cost saving for mining companies. The prosecution at the trial also alleged that the mining company was being used as a cover to buy dynamite.

In addition, during a Grand Jury investigation into bin Laden's activities held in 1997 and 1998, L'Houssaine Kherchtou, a 36-year old Moroccan member of al Qaeda who testified for the US government, outlined further examples of al-Banshiri's diamond dealing activity. He told the Grand Jury in 1998 that he had joined al Qaeda in 1991 and had worked with the Kenyan cell, which between 1994 and 1995 had been led by El Hage. During cross-examination by defence attorneys for El Hage, Kherchtou alleged that El Hage met al-Banshiri in Kenya and that both were involved in mining and dealing in diamonds. El Hage also confirmed al-Banshiri's diamond mining interest in Taheer Ltd before the Grand Jury

<sup>w</sup> Hassan Al-Seraihi is a former Saudi member of al Qaeda who claims he was one of four people present at a secret meeting in which al Qaeda was founded. Present was Abu Ubaida al-Banshiri (real name Ali al Rashidi).



investigation into bin Laden's activities in 1998.<sup>90</sup>

Another prosecution witness at the 2001 US embassy bombings trial was Mohamed Ali Muraweh Saleh Odeh, El Hage's business partner. Odeh attested to El Hage's involvement in the Tanzanian diamond trade using a Swiss based diamond dealer, Sheik Sill as a buyer and financier, and explained how he and El Hage managed the export of precious stones from Kenya, highlighting once again how al Qaeda used legitimate companies and routes.<sup>91</sup>

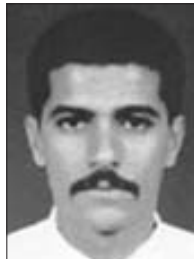
Odeh also testified that he and El Hage had traded diamonds and gemstones extensively in the Far East. This was confirmed by transcripts and recordings of intercepted phone conversations presented at the trial, which showed that Odeh had previously worked with two Sudanese brothers, Samir and Ezaladen Abdel Rahman Mohamed, primarily based in Bangkok but with affiliate offices in Senegal and China.<sup>91</sup> Odeh states that the sale of diamonds and gemstones from his joint venture with El Hage over a six-month period amounted to US\$500,000. From the available evidence, it has not been possible to ascertain how much of the profits went to El Hage. Finally, Odeh revealed the extent of his and El Hage's future plans in Kenya. He claims that he, El Hage and the then Kenyan assistant minister for agriculture, Dr Misoi, had set about incorporating a company called Black Giant Mining. Although the company apparently never got off the ground, it appears from the available evidence that, rather than using the company as a front to launder diamonds, El Hage and Odeh genuinely intended the mining company to become fully operational.



**Ghailani**



**Mohammed**



**Abdullah**

### **Exports of diamonds and gemstones from Kenya**

A. Mr. Mburuti has an office and dealing – register office and authorised to export gemstones, semiprecious and gem.

Q. Anyone who exports stones, do they deal with Mr.Mburuti?

A. No, there is a few offices, but myself I like to deal with Mr.Mburuti.

Q. Who is the director – excuse me, the chairman that was referred to?

A. There is one called Joseph – I couldn't remember the second name. He is the small-scale mining chairman. His first name is Joseph.

Q. Why would you be talking to Joseph?

A. What do you mean?

Q. Why would you need to talk to Joseph?

A. Yes, because also I need him when we are exporting sometimes the stones.

### **Sales of Diamonds and Gemstones: Odeh**

A. It is half million, not one half.

Q. Half million, OK.

A. Yes.

Q. Were the sales, did the sales end up between December 17 and June to be one half million dollars or was that an overestimate?

A. No, within six months, because the plan which I was making to sell a lot of gem quality stones.

Q. Were you able to sell gem quality stones over that period of time?

A. Korea, Singapore to Japan and –

Q. Did you end up selling all those stones?

A. What do you mean?

Q. Were you successful in selling those stones?

A. Yes, when we plan to success, yes.

Q. If I may interrupt, what does he mean by the shipping policy? What is meant by the shipping policy?

A. The method of the shipping, because I was not the one who send them. Samir supposed to send them, the brother of Mr. Moaz he ought to send them. For that, I do not know how we have to send. You remember I said by DHL. Then I did not, because I was in Korea

Q. What were you going to do with the moonstone?

A. You know, moonstone is semiprecious stone.

Q. What kind of stone?

A. Semiprecious stone. It is not gem quality. It is coming for craft usually, not for jewellery. Handicraft, usually done for handicraft.

Q. Where were you and Wadiah going to send it to?

A. I have what is stone maybe five years with me. It is 20 kilos. I want to show the samples. For that DHL will need a lot of money, US\$350.

Q. So when you want to send a container every month to China, whom are you going to send it to?

A. Me.<sup>115</sup>

Odeh also gave evidence stating that Wadiah utilised one of his old clients, a diamond evaluator based in Switzerland by the name of Sheik Sill. Sheik Sill was also used by Wadiah to evaluate and help buy diamonds in Tanzania as is indicated later by Odeh.

Q. If I may interrupt now, who is Sheik Sill?

A. He is one of the diamond specialists. I know him 1988 [sic].

Q. And is he also known by another name?

A. Sheik Suleiman Sill.

Q. And have you dealt with him previously concerning diamonds?

A. Yes. From time to time, I deal with him and he is my consultant for diamond and some other stones. He is very expert on that stuff.<sup>115</sup>

### **Diamond buying in Tanzania**

Odeh attested to Wadiah El Hage's involvement in the Tanzanian diamond trade using Sheik Sill as a buyer and financier.

Q. Now you were talking to Wadiah about Wadiah going with Sheik Suleiman Sill to Mwanza; is that correct?

A. What I was meaning on that, actually I meant to go because if you notice what I say, Sheik Suleiman knows where he can buy the stones. But maybe when I talking I make some miss.

Q. Now, where is Mwanza, what country?

A. Mwanza, it is a part in the south maybe of Tanzania. It is near the Lake Victoria and this is the region of diamond in that country.

## *Wadiah El Hage*

El Hage was born to Lebanese Christian parents in Sidon, Lebanon in 1960. He moved to the United States in 1978 but then went to Pakistan in 1979 to enrol in mujahidin training programs.<sup>92</sup> He returned from Afghanistan to the United States in 1985, becoming a naturalised American citizen in 1989. He lived with his family in Tucson, Arizona, and Dallas, Texas until 1991, when they moved to Sudan. During the 2001 trial of those suspected of the US embassy bombings in Kenya and Tanzania, El Hage admitted he worked for bin Laden, but he claimed it was only in legitimate businesses. He also claims to have had no contact with bin Laden after 1994.<sup>93</sup>

According to his own testimony El Hage appears to have played an important role as a raw materials procurement official for bin Laden and al Qaeda, sourcing the supply of many vital and needed products such as fertiliser for al Qaeda farms in Sudan also building materials, and chemicals. Global Witness believes that diamonds and gemstones were another commodity whose procurement he was entrusted with by bin Laden. During the 2001 US trial of the embassy bombings suspects, al-Banshiri's brother-in-law, Ashif Mohamed Juma, testified for the prosecution that El Hage was a particularly valued employee of bin Laden's because his American citizenship gave him license to travel freely. According to the prosecution:



**Business cards of diamond dealers found in El Hage's house in Kenya**

Mr El Hage served as a front man for the bin Laden organisation for years. His role was to set up logistics, engage in coded correspondence, move money, and give false stories. By his own admission, he was chosen by bin Laden to work for him, because he had a United States passport and could travel more freely. Mr El Hage made trips to Tanzania, Somalia, Italy, Slovakia, Russia, Afghanistan, Pakistan and England.<sup>94</sup>



**Wadih El Hage**

El Hage first moved into mining gemstones in 1994 when he set up Tanzanite King in Tanzania for the purpose of exporting tanzanite.<sup>95</sup> In June 1996, he met Mohamed Ali Muraweh Saleh Odeh, who had been in the diamond and gemstone business in Kenya since 1988 and had an extensive network of industry contacts. The two became partners, trading and exporting diamonds and other high value gemstones from Nairobi, and as noted previously were planning to incorporate a mining company called Black Giant Mining. Evidence presented during the US trial in April 2001 by Odeh, shows El Hage's extensive involvement in the diamond trade. The excerpts from the trial reveal that El Hage befriended Mohamed Odeh in order to utilise his international gem trading contacts and his political and business contacts in Kenya and Tanzania.

In August 1997, El Hage's house in Nairobi was raided by the FBI who confiscated a wide range of materials and information.<sup>96</sup> Several personal notebooks, three business card books and his computer were taken away for analysis, and in the 2001 trial in the US these notebooks were entered as evidence. Global Witness has examined the information in the notebooks and business card directories and a clear picture emerges of the significance played by the trade in diamonds and precious stones in El Hage's activities. El Hage's passport and other evidence of his extensive travels were also seized. Entries in his notebook also confirm evidence given in court that El Hage was attempting to set up a diamond mining company, and there are numerous entries relating to the sale of diamonds, tanzanite, rubies, sapphires, emeralds and red garnet.

Q. Now, were you working in some kind of financial arrangement with Mr. El Hage for this deal?

A. No, what I say that I want to arrange the finance. I said that clearly. I say that I will send the US\$3,000 to buy the stones.

Q. Would Mr. El Hage benefit in any way if it was a successful deal?

A. Of course. If it had been a successful deal, everyone will benefit. Wadih will benefit, Sheik Suleiman Sill will benefit, everyone will benefit. This is business<sup>115</sup>.

### **Setting up the mining company in Kenya**

Q. What was Black Giant? What's the basic business that Black Giant was going to get involved in?

A. Mining for semi-precious stone and precious stone. This is a major

Q. What kind of stone was it?

A. Semi-precious stone.

A. Semi-precious stone and precious stone, in general...."

Q. Whose idea was it to come up with forming a Kenyan company for the purpose of mining?

Q. Going back to the individual who was going back to America, the Pakistani going back to America, does this relate to a conversation we just heard earlier?

A. According to what I heard, yes, he was arranging a financier, and you hear, I think everybody hear that I say it is not necessary because we want to make our money and finance our own efforts.

Q. As to the machines needed for Nairobi in March, what kind of machines are you talking about?

A. Air compressor.

Q. What was the purpose of air compressors?

A. For mining.

Q. Where were you going to be mining?

A. We plan in Bokot, we plan in area Voi. We have a lot of plan. Of Kenya. I am talking about Kenya, because also I want to try to develop that area where I am.

Q. Was this part of the plan concerning Black Giant?

A. Yes.<sup>115</sup>

**The Notebooks**

A summary of El Hage's notebooks and business cards is given below:

An entry lists precious and semi precious stones: green tourmaline, amethyst and ruby are mentioned along with prices and weights.<sup>101</sup>

In the same entry, El Hage wrote down some basic measurements for precious stones, presumably as an aide memoir.<sup>102</sup>

A further notebook, listed as government exhibit 636C, also contains many references to precious stones, selling trips to Europe, the Far East and North America and also indicates that he developed plans to move into the actual mining of diamonds and precious stones.

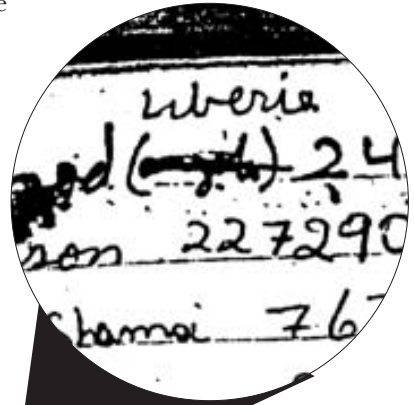
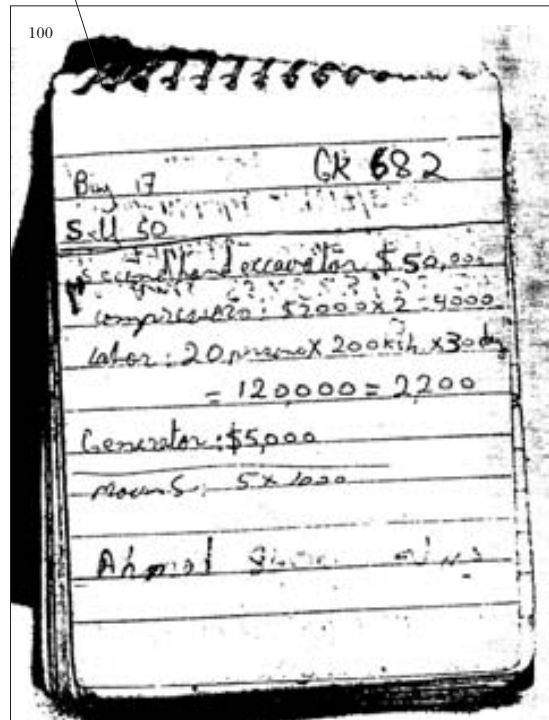
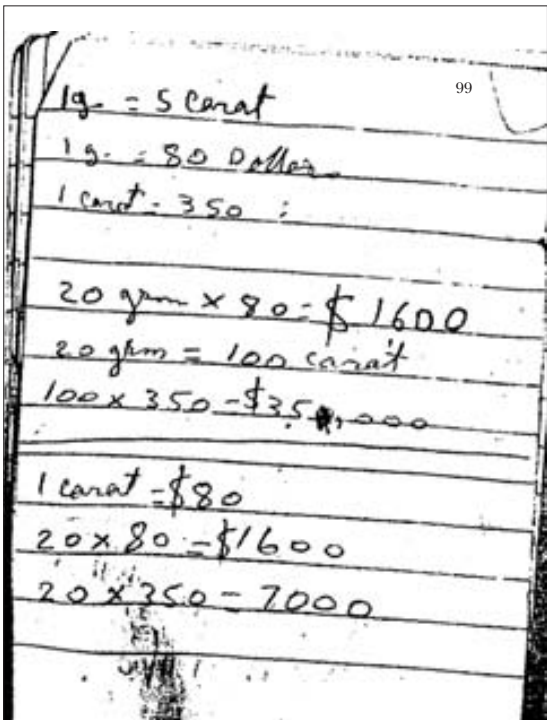
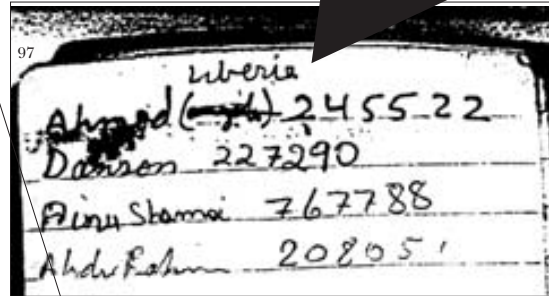
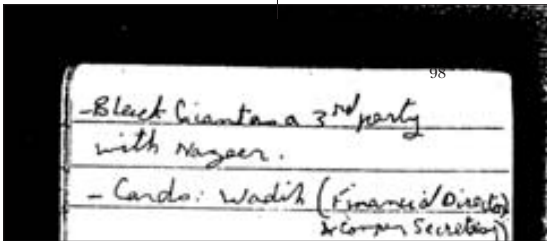
Notes show that El Hage had costed for a second hand excavator priced at US\$50,000, two air compressors at US\$2,000, a generator at US\$5,000 and had also costed for 20 people to work on the mine site at 200 Kenyan shillings a day for every 30 days.<sup>103</sup>

This seems to confirm information that was presented by Juma in the 2001 trial that El Hage had intentions to get into the actual production of diamonds in Tanzania and Kenya. El Hage also makes a reference to the company that they wished to establish, Black Giant Mining, in which

he appears to nominate himself as the financial director and the corporate secretary.<sup>104</sup>

**The Liberian/Angolan link?**

One of the most interesting entries in relation to diamonds appears to be a reference to someone who was based in Angola and then Liberia. This adds weight to the later link between Liberia and al Qaeda's strategy to move into the diamond trade, as both Angola and Liberia are diamond producers. In this page of El Hage's notebook the entry lists four names and four telephone numbers. This suggests that the al Qaeda connection with the diamond trade in Liberia began much earlier than is previously thought, as this notebook was seized in August 1997 and the first date for al Qaeda visiting Liberia is September 1998.<sup>105</sup>





Another entry contains a list of key diamond and precious stone trading centres and notes what types of stones the different centres favour. Countries listed include: Thailand, Hong Kong, Malaysia, Singapore, Korea, Israel, Switzerland (see below) and the United States.<sup>106</sup> The notebook goes on to refer to a trip to Kampala, Uganda on 9 December 1996.<sup>107</sup> The reference to Kampala is interesting as this is a known centre for illicit diamond trading.<sup>108</sup>

A third notebook, Government Exhibit 636 E, has more listings for precious stones, this time sapphires and emeralds are mentioned. The notebook also contains four pages listing transactions in tanzanite, red rhodolite and green garnet from April to May (year unknown) and listing the number of pieces, the weight and the price received and the profit made<sup>109</sup> (see page 18).

The fourth notebook contains references to the types of cuts for precious stones – oval cut, triangle cut, rectangle, drop cut etc.<sup>110</sup> A London jewellery business is mentioned.<sup>111</sup> This notebook also contains financial accounts for selling trips to London, Brussels, Los Angeles, San Jose and Tuscon.<sup>112/113</sup>

A filofax contains a reference to 'Rwanda: Goma' This is significant as Goma is well established as a transit point for the export of a number of high-value commodities including diamonds, smuggled from the DRC.<sup>114</sup> The following page contains basic calculations regarding the rental of either a 727 or a DC8 plane for 120 hours. The name Air East Africa appears on the same page. It is not known why El Hage would have wanted to rent such a large aircraft and for such a long time.

Ticket London	610
= Br. Am	145
= L.A.	570
= San J.	585
= Tucson	140
= L.A.	69
D.Lic	35

LAMO  
RWANDA  
GOMA

PRIORITIES 727  
120 hrs @ 1500-2000  
16.5 MT  
ANY EXTRA Hours will  
Charged According  
120 x 1500 = 180,000  
180,000 - 360  
5  
AIR EAST AFRICA  
DC 8 45 Tons  
747 100

**Travels abroad 1993-95**

A filofax mentions a trip to Cyprus and Turkey in August 1993, with visits to Larnica, Limassol and Nicossia. El Hage also made notes indicating that he was interested in setting up an office in the country and also had in his possession the business card of a diamond dealer based in Cyprus (see page 33). A further trip to Cyprus on 2 March 1994 is mentioned. The notebook shows that on 28 June 1994 El Hage bought a fluorescent lamp for US\$175, which is commonly used for diamond identification purposes. A diamond and gemstones selling trip in December 1995 is mentioned in the notebook, during which El Hage visited numerous jewellers and dealers in Antwerp, Brussels, London, Los Angeles and San Jose.

near kilo  
Bangkok 2nd & 3rd  
Rhodolite  
Hong Kong 1st, 2nd  
Malaysia Singapore  
Korea 1st, specially blue  
color  
Israel: 1st grade green  
color  
Geneva: White color  
USA: Red color cut.

**Conclusion**

Global Witness believes that al Qaeda cells in East Africa initially explored whether the diamond and gemstone business could, at a time of financial difficulty for the organisation, provide a means of revenue and security for its cells in Kenya and Tanzania. While not providing huge financial returns, al Qaeda's early business ventures in the diamond trade were successful enough to contribute to making the cells financially self-sufficient. More significantly – and what should be a matter of greater concern to governments and the diamond industry – al Qaeda's apprenticeship in the trade in Kenya and Tanzania gave it the basic knowledge and expertise required to take its involvement in the diamond trade to another level. They were also able to see how relatively few controls existed in the trade. As the next section will show, al Qaeda operatives put what they had learned to good use in setting up a significant diamond buying operation in Sierra Leone and Liberia.

## *The UN Investigates Tanzanian diamond exports:*

On 19 April 2002, an additional report by the UN Monitoring Mechanism on Sanctions against UNITA<sup>116</sup> found that there is a 'degree of probability' that illicit diamonds find their way into Tanzania. This analysis was based on the growth of exports from Tanzania during 2000 and 2001. A case study conducted in Tanzania by the Monitoring Mechanism team highlighted the fact that despite the low value declared on export, the real value of the diamonds exported revealed it was unlikely the diamonds could have originated in Tanzania. There are two nearby sources for these higher value diamonds: Angola and the Equateur Province in the Democratic Republic of the Congo (DRC). Global Witness have reproduced the case study in its entirety to give an illustration of how it is possible to launder diamonds from a neighbouring country and disguise their origin on import into a processing or trading country. It has also been included, as Global Witness believes that this type of monitoring activity should be continued by the Kimberley Process and the United Nations in order to combat conflict diamond trading.

### **Excerpt From The Supplementary Report of the Monitoring Mechanism on Sanctions Against UNITA, 12 October 2001, pp. 37-39.**

The case study relating to the United Republic of Tanzania shows the problems of tracking information on parcels of UNITA diamonds back to their source, where the available information is simply that a parcel of diamonds was sold by UNITA to a particular company, with an approximate date. The Mechanism has detailed and credible information from three sources on this particular operation, yet it is still not possible to prove that this sale took place and was in fact a UNITA trade.

### **Case study: a study of anomalies**

At the outset, the Mechanism wishes to express its deep appreciation to the Government of the United Republic of Tanzania for its invaluable cooperation and assistance, without which the case study would not have been possible. The United Republic of Tanzania was chosen for a case study rather than the Democratic Republic of the Congo, because the majority of diamonds are exported legally, so that there is a paper trail and recent data on diamond deposits, making checking of information possible. However, the study shows that it is difficult to isolate laundering of diamonds from general malpractice of diamond dealers.

The key generic indicators used by analysts of

the laundering of embargoed diamonds through third party countries are the following:

- The country has an existing diamond market;
- The average carat value of exported diamonds matches or exceeds the average carat value of Angolan gems, US\$250 per carat, and is not the expected average carat value for that country;
- An unexplained rise in the volume of exports from a particular country;
- Controls on diamond exports are relatively weak or can easily be circumvented.

The Mechanism examined information indicating that UNITA diamonds may be laundered through the United Republic of Tanzania. That country fits all the above criteria, and in particular exports very high value diamonds to Antwerp. As in Angola today, when the better quality, larger stones are being smuggled the recorded values are higher than the normal average carat value for that country.

Company A is a diamond trading company based in Antwerp. It has a history of working with UNITA prior to the imposition of sanctions. It has a subsidiary company, trading in general goods, not diamonds. That subsidiary shares a name with two diamond buying offices, one based in the Democratic Republic of the Congo and one in the United Republic of Tanzania, both of which trade diamonds to company A.

The Mechanism was informed that company A had bought a parcel of diamonds worth US\$250,000 from UNITA in February 2001. Two countries were proposed as the route out of Angola for this sale, the Democratic Republic of the Congo and the Republic of Tanzania. The Mechanism was able to trace to the United Republic of Tanzania one legitimate parcel of very similar value during the period in question, but not to establish whether it came from UNITA sources. The parcel was traded through what seems to be a subsidiary company, registered in the United Republic of Tanzania, established to buy locally produced rough diamonds. (Information about the ownership of the company is awaited.) There are also indications that a second parcel of diamonds of similar value was smuggled out of the United Republic of Tanzania by the same company during the same period.

During the Mechanism's visit to the United Republic of Tanzania to try to track this parcel, it became clear that there were huge discrepancies between the values of diamond imports into Antwerp from that country and Tanzanian records of exports; indeed it was not possible to find a single export from the United Republic of Tanzania of the value in question. It became clear that every exporter of diamonds from the United Republic of Tanzania was systematically under-declaring the value of diamonds, on export, to produce the vast difference in value. The

global value of diamonds exported from the United Republic of Tanzania in 2000 (the most recent complete year for statistics) was 15 per cent of the value declared on import into Antwerp. This raised the question whether those diamonds in fact all originated in the United Republic of Tanzania.

Legitimate exports to Belgium by dealers in the United Republic of Tanzania during 2000 were recorded at the Ministry of Mines in Dar es Salaam as 25,875.85 carats, worth US\$1,682,059. A further 16,001.59 carats were exported, principally to India (mainly industrial diamonds), Cyprus and South Africa.

These diamonds are not checked for value on export from the United Republic of Tanzania, since the expertise to do so is not available, but are weighed and checked for value on entry into Antwerp. The value on import into Antwerp represents the real market value of the diamonds. The figure from Dar es Salaam represents the amount declared to the Government on invoices for export, on which tax is paid. The Commissioner of the Ministry of Mines provided detailed information on the country's diamond deposits and aided the Mechanism in checking records of exports, to determine whether the United Republic of Tanzania had become a "laundering" country for embargoed diamonds.

Imports from the United Republic of Tanzania into Belgium are recorded in Belgium<sup>2</sup> as follows:

Year	Carats	Value US\$	Average value US\$ per carat*
1999	6,909.08	2,524,008.23	819.49
2000	26,702.35	11,528,916.20	596.93
2001	9,171.60	2,946,266.19	565.74

(to end June)

\* Calculated by the Mechanism.

<sup>2</sup> Source: Ministry of Economic Affairs

These figures are very significant, in particular the average carat value. First of all, Tanzanian diamonds derive mainly from kimberlite mines in the north-east of the country. There is one large-scale mine at Mwadui, the Williamson Diamond mine, which is mined in a joint venture by De Beers (75% shareholding) and the Government of the United Republic of Tanzania (25% shareholding). This produced 312,511 carats of diamonds during 2000, worth US\$43.75 million, according to the Ministry of Mines. These diamonds have an average carat value of US\$139.99.



**Map showing diamond flows into Tanzania from Angola and the DRC and movement of al Qaeda diamond trading operatives, post August 1998**

The United Republic of Tanzania has a system of licensing diamond dealers to buy the artisan production from the surface digging of kimberlite pipes in the Shinyanga region, in the north-east of the country. Records of diamond exports from Dar es Salaam showed that an average carat value of US\$65.28 was declared, in line with the values that might be expected from such sources.

The real average carat values shown in the table paint an entirely different picture of the diamonds exported, with average carat values of US\$596.93 recorded for 2000. On the face of it, the values are too high for the sources claimed, although they may simply represent theft of the best stones from the Williamson mine. The mining authorities informed the Mechanism that the increase in exports in 2000 was in fact due to a "diamond rush" which began late in 1999 and ended in August 2000, which means that these high values are not necessarily to be explained by dramatically increased leakage from the mine.

In the case of the United Republic of Tanzania, it is in theory possible to determine whether exported diamonds are genuinely mined there, since it is possible for experts to say whether diamonds come from kimberlite or alluvial sources. Belgian diamond experts may be able to verify this on import into Belgium, but do not have information on the nature of diamond deposits worldwide and are not expected to undertake such work at present.

### **Sierra Leone And Liberia: al Qaeda, Aziz Nassour, Diamonds And Guns**

This section details the latest and most developed phase in al Qaeda's diamond-trading operation. Credible information indicates that al Qaeda operatives have been trading in a number of diamond producing countries, including Angola, the CAR and the DRC. Global Witness is carrying out further research to confirm this.

As mentioned previously al Qaeda's involvement in diamond trading in Liberia is also of great interest and concern because it points to a linkage between shadow states, regional instability and terrorism. Al Qaeda was able to benefit from existing structures set up by President Charles Taylor to launder RUF diamonds through Liberia and to profit in the process. In addition al Qaeda was able to move personnel between countries and to hide them when necessary. This combination of profit and operational advantage is an issue that the international community must tackle if there is to be any serious attempt to address long-term regional instability.

This section shows how al Qaeda potentially laundered millions of dollars by buying illegal diamonds from rebels through Liberian government officials, including President Charles Taylor and through corrupt businessmen in Sierra Leone and Liberia from December 2000 to November 2001. By using existing criminal networks and structures in the diamond and arms industry, al Qaeda operatives, who had gained an understanding of the diamond trade from senior al Qaeda personnel based in Kenya and Tanzania and then on buying trips to Angola, CAR and DRC, took control of an existing diamond-trading network with access to the legitimate market. This indicates that al Qaeda had a clearly defined strategy with regard to the acquisition and use of rough diamonds.

The events surrounding the diamond-buying and laundering scheme, as examined by Global Witness, have many of the hallmarks of an al Qaeda operation, namely:

- The operation began by establishing a relationship with another terrorist entity (RUF);
- The existing network was consumed by a more powerful and financially-viable entity;
- Operatives reported to a higher command structure;
- The operation took advantage of shadow and disintegrating states;
- The business was also used as a cover for moving between countries in Africa and elsewhere.

The information provided in this section is largely based on interviews with: Aziz Nassour, a Lebanese diamond dealer with extensive connections in Antwerp and a history of diamond-dealing in conflict zones in Africa, Ali Darwish, who worked for Nassour in Liberia and Sierra Leone, an anonymous source who is a member of President Charles Taylor's inner circle, Belgian government officials, US government officials and European intelligence analysts. Information is also based on Global Witness' investigations, carried out in Africa and Europe. Global Witness has obtained evidence in the form of documentation and original testimony from individuals involved in this trade that confirm the events as originally described by *The Washington Post*.

### **Liberia and Sierra Leone: Failed States**

In a survey of the views of counter-terrorism analysts on al Qaeda undertaken by *Jane's Intelligence Review* in July and August 2002, a significant number of the respondents mentioned the link between terrorism and organised crime. They also highlighted that unstable states and corrupt regimes are breeding grounds and safe havens for terrorism; and that parts of Africa, Central Asia and South America were particularly susceptible. *Jane's Intelligence Review* summarised the findings of the survey as follows:

'regions with grey or black market political economies facilitate terrorist movement and act as the network through which terrorist actors infiltrate and manipulate diasporas or underdeveloped areas to create safe havens and shadow state systems'.<sup>117</sup>

Liberia and Sierra Leone are two such countries with shadow state systems and black market political economies that have provided optimal operational conditions for al Qaeda. Liberia has been responsible for spreading instability throughout West Africa for over a decade and is under various UN sanctions regimes. An arms embargo was placed on Liberia in 1993 under UNSC 866. The export of diamonds was banned in 2001 under UNSC 1343 and the same resolution carried a travel ban on President Taylor, his close associates and government officials. All of these have had a limited effect on President Taylor's ability to procure weapons and financing.<sup>x</sup>

Political repression, including summary executions, and rampant corruption typify the despotic regime of President Taylor, an ex-warlord turned President. Reports on the



numerous violations of the UN sanctions regime, and the complicity of Liberian government ministers and corrupt businessmen in the illegal trade in diamonds,

### *Logging revenue and weapons*

The Liberian government's continued access to the international arms and mercenary market is largely dependent on the Liberian timber industry, and the financial and logistical support it provides. The omission of timber sanctions from UNSC Resolutions 1343 (2001) and 1408 (2002), has allowed Liberia to maintain regular imports of arms and cash to pay both its domestic security forces and the mercenaries recruited for incursions into Côte d'Ivoire and Sierra Leone. These illegal arms imports are often organised by logging companies. While arms are delivered by plane to Robertsfield International Airport, regular deliveries of weapons arrive every few weeks by ship into ports controlled by logging companies OTC and MWPI. Moreover, OTC and MWPI and other logging companies are active participants in national and regional destabilisation. OTC organises arms imports into Buchanan port and builds up large pro-government militia forces, and MWPI oversees the arrival and transshipment of weapons to the Liberian government and Ivorian rebel forces via Harper port.

In order to restrict the Liberian government's aggressive, cross-border activities in Côte d'Ivoire and planned destabilisation of Sierra Leone, Global Witness calls upon the UN to recognise the facilitative role the timber industry plays with this regard, mandate any further Panel of Experts on Liberia to conduct detailed investigations into the role of the Liberian logging industry, and impose sanctions on timber exports.<sup>x</sup>

<sup>x</sup> The United Nations has consistently failed to address the issue of how President Taylor receives considerable funding and illicit arms shipments from the timber trade. For a full account of President Taylor's and Liberia's timber for arms trade see Global Witness reports, 'Taylor-made: The Pivotal Role of Liberia's Forests and Flag of Convenience in Regional Conflict', September 2001; 'Logging Off: How the Liberian Timber Industry Fuels Liberia's Humanitarian Disaster and Threatens Sierra Leone', September 2002; 'The Usual Suspects: Liberia's Weapons and Mercenaries in Côte d'Ivoire and Sierra Leone', March 2003.

<sup>y</sup> Valery Cherny was an arms dealing partner of Leonid Minin who ran the Moscow based air transport company Aviatrend.

timber and arms, have been issued by a range of international organisations including Global Witness, Human Rights Watch, Amnesty International, and the UN Panel of Experts appointed pursuant to UNSC Resolution 1408 (2002), concerning Liberia. (An example of one such violation is detailed below.) Corrupt networks fuelled regional instability, exacerbating the devastating war in neighbouring Sierra Leone from 1991-99 and still threatens the country's fragile peace process. The Liberian regime was also responsible for causing a refugee crisis in Guinea in 2001 and now stands accused of sending mercenaries to inflame tensions in Côte d'Ivoire, once held up as West Africa's economic success story.<sup>118</sup>

### *Arms Smuggling to Liberia*

In October 2001, the UN Panel of Experts on Liberia reported on an arms-smuggling operation to Liberia that had taken place in 2000<sup>119</sup>. A Moscow based air cargo company called Aviatrend, operated by former Soviet test pilot Valery Cherny delivered a first shipment of 113 tons of ammunition from the Ukraine to Côte d'Ivoire on 14 July 2000.<sup>y</sup> West Africa Air Services, a company set up by a Kenyan national, Sanjivan Ruprah, later shipped most of the ammunition on to Liberia. The EUC for the ammunition and weapons was issued by General Robert Guëi, the then president of Côte d'Ivoire. Mohamed Salamé, the Liberian ambassador in Abidjan, obtained the EUC from Guëi. When Cherny's partner, Ukrainian arms, diamond and timber dealer Leonid Minin was arrested in Monza, Italy in August 2000, Cherny put the remaining arms in storage.<sup>119</sup>



**Leonid Minin**

Samih Ossaily, second cousin and employee of Aziz Nassour, was arrested in Belgium on 12 April 2002. When searching Ossaily's apartment Belgian police found an original Côte d'Ivoire EUC dated 8 January 2001 (see Annex 7). The EUC was for the delivery of ammunition and arms by a Bulgarian company, NATACO Holding Plc.<sup>120</sup> The arms listed on the NATACO certificate exactly matched the items that Cherny was attempting to deliver to Liberia before Minin's arrest. Furthermore the NATACO certificate had official Côte d'Ivoire stamps and the envelope was from the Ivorian Ministry of Defence, and addressed to Mohamed Salamé the Liberian ambassador in Côte d'Ivoire. It appears that the weapons put in storage by Cherny were to be the subject of a second transaction.<sup>121</sup>

### September 1998 – March 1999: al Qaeda's initial dealings with the RUF

This section describes in detail how an al Qaeda operative arrived in Liberia in September 1998 to set up a diamonds-for-arms deal meeting with President Taylor and senior RUF commanders. In March 1999 two other al Qaeda operatives with diamond trading knowledge travelled to Liberia. Despite an apparently successful meeting, the promised arms did not arrive and the deal fell through.

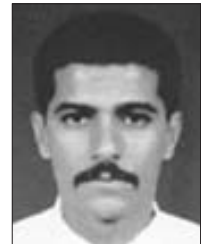
Al Qaeda's presence in Liberia dates from 22 September 1998, when Abdullah Ahmed Abdullah, a senior operative arrived in Monrovia.<sup>137</sup> Abdullah, who used the name Moustafa whilst in Liberia, is a member of al Qaeda's powerful finance committee and was suspected by the FBI of having masterminded the Kenyan and Tanzanian US embassy bombings. The purpose of Abdullah's trip was to arrange a diamonds-for-arms deal with the RUF. His introduction to President Taylor and the RUF was through Ibrahim Bah (for more information on Bah see box opposite) who was a senior commander and adviser to the RUF at the time. Bah had previously met Abdullah in the late 1980s during military training in Libya. The fact that al Qaeda had entrusted the negotiations to one of its most senior operatives shows a serious interest in developing diamond-trading activity. At a meeting with RUF officials Abdullah paid US\$100,000 to RUF commander Sam 'Masquita' Bockarie as an introductory 'fee' and was given a token parcel of diamonds in return<sup>z</sup>. This indicates al Qaeda's intent to establish a long-term relationship with the RUF. His trip was not intended as a normal profit-making diamond buying trip hence he was not accompanied by anyone with diamond buying expertise.<sup>137</sup>

After Abdullah met President Taylor in Monrovia, he flew on a Liberian Anti Terrorist Unit (ATU) helicopter to Foya, a town on the Sierra Leonean border. Here he met with Issa Hassan Sesay and other RUF military commanders to discuss the practical details of setting up a supply of diamonds. Abdullah agreed to send supplies to the RUF, and six months later, in March 1999, two other al Qaeda members arrived in Liberia to finalise the agreement. Ahmed Khalfan Ghailani and Fazul Abdullah Mohammed, both of whom were key members of al Qaeda's Kenyan and Tanzanian cells, were familiar with the diamond and

gemstone dealings of al-Banshiri and El Hage and had extensive diamond knowledge from diamond buying trips to Angola, CAR and the DRC (see Part Two). Bypassing all immigration procedures at Robertsfield airport they arrived in Liberia and were taken to meet with President Taylor. This indicates the status and importance accorded to the visit by the Liberians. Despite this second visit the promised material was not delivered, and al Qaeda's first attempt to develop a diamond trading network in Sierra Leone and Liberia fell through. Al Qaeda's failure to deliver also caused Bah embarrassment and difficulty with Taylor. From April 1999 to late 2000 the RUF and President Taylor continued to seek other sources for weapons and new buyers for their diamonds.<sup>137</sup>

'Al Qaeda also use smuggling and trafficking in drugs, diamonds, and precious metals to fund themselves'  
*Ronald Noble, Secretary General Interpol.*

### Abdullah Ahmed Abdullah



**Abdullah Ahmed Abdullah**

Abdullah Ahmed Abdullah has several pseudonyms. He is also known as Abu Mohammed al Masri/y, Saleh, Abu Marium, and Abu Mohammed el Masri Saad al Sharif. Whilst in Liberia he was also known as Moustafa. He joined the Egyptian group Islamic Jihad and travelled to Afghanistan in the late 1980s, where he trained soldiers in the use of explosives at the Jihad Wal camp in Khost<sup>122</sup>. He was among the 480 Arab combatants who joined bin Laden when bin Laden moved to Sudan in 1991. From Sudan, he moved to Somalia, where he was involved in the training of Somali militia. In 1998, he moved to Kenya, where he arranged and paid for the travel of the al Qaeda operatives who planned the 7 August 1988 embassy bombings in Kenya and Tanzania. He fled Nairobi on 6 August 1988 and went to Karachi, Pakistan. Analysts currently believe he is a top-ranking member of al Qaeda's finance committee and the organisation's chief financial officer in Pakistan and Afghanistan.<sup>123</sup> Intelligence sources believe that, as of late 2002, he was in Beirut.<sup>124</sup> Like many other Egyptian al Qaeda members, he holds other senior positions of authority within the organisation. He is a member of al Qaeda's Consultative Council and is on its religious and fatwa committee.<sup>122</sup> The US government is currently offering a US\$25 million reward for information leading to his arrest.

<sup>z</sup> An introductory downpayment of between US\$50,000 to 100,000 was the standard price for access to the relevant RUF officials. This has been confirmed by reports of other meetings known to have taken place to arrange prospective diamonds for arms swaps.

## Samih Ossaily

Samih Ossaily was born in Sefadu, Sierra Leone. He is a second cousin of Nassour and has worked extensively in the diamond trade in Africa for a number of companies. He has worked for companies associated with Nassour in Angola, the DRC, Liberia, Sierra Leone and Tanzania. In 1997, in Sierra Leone, he entered into business with the junta leader Major Johnny Paul Koroma, who was sharing power with the RUF after its bloody coup. In exchange for supplying four containers of army uniforms and other military hardware for the Koroma junta, he received an unspecified quantity of diamonds.<sup>71</sup> The Ossaily family are close to Nassour; Samih's sister Najla Ossaily works in the ASA Diam office and is the widow of one of Nassour's brothers.<sup>148</sup>



**Samih Ossaily**

## Ibrahim Bah

Ibrahim Bah is a key player in the al Qaeda diamond operation. He was a senior commander and adviser to the RUF on behalf of President Taylor, eventually becoming a leading negotiator at the 1999 UN Lomé Peace



**Ibrahim Bah**

Accords, where he first came to the attention of Western authorities, describing himself as an RUF 'senior military advisor'. He is intimately involved in the illegal importation of weapons and diamonds in West Africa, and for this reason is subject to the Liberian UN travel ban.<sup>145</sup>

He is Senegalese by birth and a devout Muslim. Bah uses a number of aliases of which the most common are: Ibrahim Traore, Ibrahim Balde, Abraham Balde and Balde Ibrahima<sup>71/125</sup>. He was born on 31 March 1957, and began his rebel career as part of the Cassamance separatist movement in Senegal in the 1970s.<sup>8</sup> When recently interviewed by the UN Panel of Experts, Bah claimed his birth date was 1969.<sup>126</sup> Bah is a close confidante of President Taylor, both men having undergone training at Benghazi, Libya in the early 1980s under the patronage of Colonel Ghadafi.<sup>127</sup> Both Bah and Taylor are members of the 'Massawa', a special African group trained in Libya. In an interview with members of the UN Panel of Experts on Liberia, Bah admitted to having been one of Ghadafi's personal bodyguards in Libya.<sup>126</sup> At Benghazi he also met other future West African leaders, including RUF leader Foday Sankoh and Blaise Compaore, the current President of Burkina Faso. In 1981, he was involved in an ill-fated coup attempt against the Gambia's president Dauda Jawara.<sup>71</sup>

In the 1980s, Bah's radical Islamic beliefs became stronger and for several years he fought and trained alongside Hizbullah in the Beeka Valley in Lebanon. In 1987 and 1988, Bah was in Afghanistan fighting the Russian invasion with the *mujahidin*, where he came under the influence of al Qaeda. According to a Western intelligence official interviewed by Global Witness in 2002, the Defence Intelligence Agency (DIA) of the Pentagon has obtained documentation showing that Bah attended one of the *mujahidin* training camps near Khost, Afghanistan and evidence of his time in Lebanon.<sup>128/129</sup> Following his training in Afghanistan he returned to Africa to fight for President Taylor's National Patriotic Front of Liberia (NPFL), rising to the rank of Commander during the civil war in Liberia from 1991-97 where he made a name for himself as a fierce fighter during the NPFL 'Operation Octopus' to take Monrovia.

## Aziz Nassour

Aziz Nassour was born on 30 March 1961 in Sefadu, Sierra Leone. The Nassour family has extensive interests in the diamond industry, owning diamond and commodity trading companies in Antwerp, as well as diamond-buying and trading companies operating in Angola, Congo-Brazzaville, Côte d'Ivoire, DRC, Guinea, Lebanon, Liberia, Sierra Leone and Tanzania.<sup>148</sup> Nassour claims that while the family business is diamonds, his personal business interests lie in food distribution and his business activity has a turnover of nearly US\$100 million per year.<sup>148</sup> He is still technically the director of the Belgian diamond company Echogem, although the company is considered to be inactive.<sup>130</sup>

From 1980, he worked in the diamond trade in Congo Brazzaville, and from 1985 to 1986 operated a gold and diamond buying office in Liberia. In Zaire (now DRC) he became very close to the dictator Mobutu Sese Seko, earning the nickname 'Aziz Mobutu'. Nassour left Zaire in 1994, and in 1996 went to Lebanon for the first time, and for the next 18 months divided his time between there and Egypt. During this time he claims to have worked for a US owned company called Continental Grain, based in Switzerland. Continental Grain's main business was the import of rice from Pakistan, India, China and flour from France, mainly for export to Russia and Angola. Nassour claims the export business was unsuccessful in both countries, but it enabled him to develop numerous contacts in Africa and Russia, and throughout the shipping industry.

### Belgian bank fraud

Due to Nassour's brother's alleged involvement in a fraud at ABN Amro Bank, one of the largest credit providers to the diamond industry, Nassour's reported US\$6-7 million overdraft facility was withdrawn in 1996, forcing him to use an account at Paribas Bank. It was Nassour's relationship with ASA Diam, headed by his brother-in-law, Ali Said Ahmad that enabled him to access this financing despite the alleged involvement of the Nassour family in the ABN Amro scandal.<sup>aa</sup>

From 1997 to 1998, Nassour was involved in food importation to Angola, claiming to have been made the Lebanese honorary consul to

the country. However, he was expelled from Angola in 1998 having reportedly been accused of helping UNITA leader Jonas Savimbi whom he met through Mobutu.<sup>148</sup>

In 1999, Nassour moved to Marbella, and he claims to have stayed in Spain for one and a half years where he was involved with an alleged member of AMAL, Mohammed Derbah.<sup>148</sup> Derbah was arrested in late 2001 by the Spanish authorities for involvement in arms trafficking and financing Hizbullah and AMAL. He was re-arrested in February 2003 money laundering offenses. [see below for more detail.] From Marbella Nassour claims he moved to Antwerp in 2000, where he made contact with Ali Darwish who introduced him to Bah.<sup>148</sup>



**Aziz Nassour**



**Khalil Nassour**

### In the footsteps of Mr Nassour (in the DRC):

As is detailed below the UN has accused Nassour of illicit diamond dealing in the DRC.<sup>131</sup>

'34. The Panel has documents showing that three "clans" of Lebanese origin, who operate licensed diamond businesses in Antwerp, purchased diamonds from the Democratic Republic of the Congo worth US\$150 million in 2001, either directly through Kinshasa or through comptoirs in the Republic of the Congo. The three "clans" – Ahmad, Nassour and Khanafer – are distinct criminal organisations that operate internationally. Their activities, known to intelligence services and police organisations, include counterfeiting, money laundering and diamond smuggling. Several credible sources have reported that the clans also have ties with Amal and Hezbollah. Some businesses associated with the clans are Sierra Gem Diamonds, Asa Diam, Triple A Diamonds and Echogem. A group linked to the clans operations is providing counterfeit United States dollars to former generals from the time of President Mobutu, who are trying to overthrow the Government of the Democratic Republic of the Congo.'

'84. The Congo Desk gave Aziz Nassour the first monopoly. Aziz Nassour fell out of favour with the Congo Desk and was replaced by an Israeli diamond dealer, Philippe Surowicz. Diamond traders in Kisangani remember the Surowicz period as a "reign of terror". Diamond sellers frequently reported entering "Monsieur Philippe's" comptoir only to be confronted with RPA military who named a derisory price and took the diamonds. The Congo Desk replaced Mr. Surowicz in October 2001 with a Lebanese, Hamad Khalil, who worked through the Bakayoko comptoir in Kisangani.'

<sup>aa</sup> Khalil Nassour was not convicted in the ABN AMRO scandal.



Nassour returned to conflict-torn eastern DRC, arriving in Kisangani in late 1999, shortly after Rwanda had expelled Ugandan troops. By July 2000, he had outmanoeuvred his competitors, including other Lebanese nationals, and was awarded a monopoly on diamond exports from the Rwandan backed rebels from *Le Rassemblement congolais pour la démocratie* (RCD-Goma). With military support he was able to exclude other foreign diamond buyers, but lost his monopoly in October or November 2000. According to a competitor, Nassour had failed to deliver on his promises to the RCD-Goma, and tension between RCD-Goma and Rwanda over the profits from the diamond trade led to the demise of the monopoly several months later.<sup>121</sup> As has been shown above he was also identified by the report of 'The Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo', on 8 October 2002 which confirmed that he held the diamond buying and exporting monopoly in the area of eastern DRC controlled by RCD-Goma.<sup>131/148</sup> The UN report states that Nassour provided over US\$2 million in taxes to RCD-Goma during the six-month period of his licence. However Ossaily has stated that substantial volumes of diamonds passed through other networks that continued to operate despite Nassour's supposed monopoly.<sup>132</sup>

Ossaily has admitted working for Nassour in DRC for approximately two months during this period. He has confirmed that the operations purchased approximately US\$500,000 of diamonds from the RCD-Goma every ten days, and that the licence cost US\$200,000 per two months. Half of the licence fee was paid to RCD-Goma and half to the Rwandan government, which tried to maintain full control of the diamond trade in Kisangani. Nassour used the licence of ASA Diam, a company owned by his brother-in-law Ali Said Ahmed, to import the diamonds into Belgium. During 2000 he imported diamonds worth approximately US\$14 million from the DRC, mostly from Kisangani.

In 2000, the UN Panel of Experts on Sierra Leone identified Nassour as dealing with the RUF and placed him under the first UN travel ban. However, in practice this did little to restrict his ability to set up extensive diamond and arms trading networks across Africa and he continued to travel widely. Following *The Washington Post* exposé in 2001 Nassour returned to Beirut and as of March 2003, he was still based there. He has finally been forced to surrender his numerous passports to the

Lebanese authorities. It remains to be seen if that will make travel difficult for him.<sup>bb</sup>

### Nassour and Mohammed Derbah

Nassour has an extensive network of arms procurement and criminal contacts. One example is Mohammed Jamil Derbah. Darwish has told Global Witness that he was sent by Nassour to meet with Derbah in Spain to buy a 30,000-carat parcel of diamonds in November 2001.<sup>139</sup> However Derbah was arrested on the day the meeting was supposed to take place.<sup>133</sup>

On 20 November 2001, it was widely reported that Spanish authorities had broken a fraud ring based in the Canary Islands with alleged links to Hizbullah and AMAL.<sup>133</sup> A two-year investigation led by Judge Baltasar Garzon culminated in the arrest of 18 people, including Derbah. According to Garzon, Derbah was involved in arms trafficking and financing for Hizbullah and AMAL. Hizbullah spokesmen in Beirut denied any knowledge of 'such a ring or group'.<sup>133</sup> Garzon had impounded two planes at Madrid's Barajas airport allegedly owned by a company run by Derbah and an as yet unidentified Russian citizen.<sup>134</sup> Police said the criminal organisation, the most powerful in the Canary Islands, netted about US\$10.6 million a year, mainly through timeshare fraud affecting British and German citizens. The gang was involved in fraud, money laundering, forgery, extortion and corruption.<sup>133</sup>



**Derbah aka Carlos**

Previously, on 2 November 1999, the Spanish police and Civil Guard intelligence services uncovered an illegal arms trafficking ring established by the Russian Mafia in southern Tenerife, which was using the Canary Islands as a base to export weaponry from the former USSR to Angola and Sierra Leone.<sup>135</sup> The police report on the incident stated that in June 1999 the Derbah brothers, Mohamed and Hussein Jamil, were the ringleaders of the Lebanese Mafia in Tenerife, and had transported a shipment comprising automatic rifles, assault rifles, sub-machine guns, an indeterminate number of pistols and revolvers and boxes of ammunition from the south of the island to the capital, Santa Cruz, in June 1999. The majority of arms shipments that arrived on-board Russian fishing boats in the Canary Islands were dispatched to countries such as Angola, Sierra Leone and Congo Brazzaville, or supplied guerrilla groups in other countries of sub-Saharan Africa.<sup>136</sup> It is worth noting that Mohammed Derbah had previously operated in Liberia, where he was known as 'Carlos' and supplied arms and radio equipment to President Taylor.<sup>137</sup>

<sup>bb</sup>Nassour also holds a diplomatic passport from Cote D'Ivoire and a British passport from Sierra Leone.

**November 2000 – January 2001:****Aziz Nassour, guns, gems and al Qaeda.**

This section goes into the detail of how, after its initial failure, al Qaeda was able to re-enter into diamond dealing negotiations with the RUF, through the networks of Aziz Nassour a well established diamond and arms trader. It describes how the diamond buying operation was set up in Monrovia.

In December 2000 two al Qaeda operatives reappeared in Liberia.<sup>137</sup> Global Witness believes this was due to the diamond negotiations that had been opened in November by the trader Aziz Nassour. The operatives, who had knowledge of the diamond business, travelled with people working for Nassour. They travelled together into RUF territory in Sierra Leone and were jointly involved in negotiations with RUF commanders.<sup>137</sup> Nassour has claimed he did not trade in diamonds or weapons despite evidence to the contrary detailed elsewhere in this report.<sup>148</sup> Global Witness believes that Nassour entered into a diamond-buying arrangement in conjunction with al Qaeda operatives through Bah.<sup>cc</sup>

As a result of the power vacuum within the RUF, after the arrest of its leader Foday Sankoh, the rebels needed diamond buyers. Bah began seeking traders. He reintroduced al Qaeda to the RUF but unlike the situation in 1998-99 the operatives were working alongside a well-established diamond trader who operated throughout Africa. Ali Darwish brought Nassour into the deal.<sup>139</sup> Darwish was based in Antwerp and had met Nassour there. Darwish's nephew, Yousef Ouedrago introduced him to Bah. Ouedrago was a business partner of Bah's and was based in Ouagadougou, Burkina Faso.<sup>139</sup> Darwish was sent by Nassour to hold an exploratory meeting with Bah. They met on 10 November 2000 in Burkina Faso. Darwish states that Nassour paid him a US\$50,000 finders fee for the work; Bah also received a payment, of US\$100,000 from Nassour.<sup>137/139</sup>

Despite these payments, Bah failed to deliver diamonds at the meeting, but he persuaded Darwish to travel to a second meeting, which took place in Monrovia on 29 November 2000. Again, no significant amount of diamonds was forthcoming, but it was arranged that Darwish would return to Liberia with his colleague, Samih Ossaily, a more experienced diamond buyer who had worked for Nassour in DRC and Tanzania.<sup>139</sup> Ossaily was Nassour's second cousin and both

were born in Sierra Leone. Nassour admits to providing Ossaily with US\$40,000 for the trip.<sup>148</sup> On 9 December 2000 Darwish and Ossaily flew to Monrovia.<sup>dd/138</sup> On arrival they were met by a confidante of President Taylor who escorted them through customs. Bah had briefed President Taylor about the visit of Darwish and Ossaily but Taylor did not meet with them.<sup>137</sup> The two stayed at the Boulevard Hotel in Monrovia where they met with Bah to discuss their trip.

In December 2000 the two al Qaeda operatives, Ghailani and Mohammed, arrived in Liberia from Burkina Faso<sup>146</sup>. On 26 December, they joined Darwish and Ossaily at the Boulevard Hotel and all four then travelled to Kono.<sup>137/139</sup> During two separate conversations with Global Witness, Darwish has confirmed the identities of the al Qaeda operatives. He has also confirmed that Bah asked him to help them buy boots suitable for the muddy conditions in Kono, and that he helped them buy medicine.<sup>137/139</sup> Darwish was also filmed in December 2002 by the BBC, confirming the identities of the al Qaeda operatives.

All the men drove to Foya and from there crossed into Sierra Leone. They met with the RUF interim field commander Issa Hassan Sesay, and stayed in his house for three days, which was called 'Small Lebanon'. On this trip they also met with RUF commanders Maurice Kallon, Gibril Massaquoi, Eddie Kannah, Mamou Rogers and Dennis 'Superman' Mingo (now deceased).<sup>139/ee</sup> During this time Ossaily called Nassour in Antwerp to update him on what was happening.<sup>137</sup> Ossaily gave Sesay a satellite phone so that he could stay in contact with Nassour. Ossaily also gave the RUF a list of names they



**Hotel Boulevard, Monrovia, Liberia, where Bah and Ossaily stayed**

<sup>cc</sup> Global Witness has not been able to confirm whether Nassour, Ossaily or Darwish were conscious of the true identities of the al Qaeda men during their dealings with them. However Ossaily and Darwish have both positively identified the men since November 2001.

<sup>dd</sup> They flew to Abidjan on Sabena flight number 689 and then onto Monrovia.

<sup>ee</sup> Those indicted: 1. Foday Sankoh: head of RUF. 2. Johnny Paul Koroma – former head of the Armed Forces Revolutionary Council ARFC. 3. Sam Bockarie – former associate of Johnny Paul Koroma. 4. Issa Hassan Sesay – former Interim Head of the RUF. 5. Alex Tamba Brima – former leader of AFRC. 6. Morris Kallon – former leader of AFRC. 7. Sam Hinga Norman.

were to use on the satellite phones to avoid arousing suspicion of the authorities monitoring their conversations. Ossaily was to be known as Sierra Oscar, Nassour as Alpha Zulu and Bah (known to many in the RUF as Abraham Bah) as Alpha Bravo.<sup>137/139/148</sup> Nassour has also admitted to Global Witness that he left approximately six satellite phones for various RUF commanders and was paying significant sums for their phone bills.<sup>148</sup>

During the trip, Ossaily took digital photographs of the mining areas for Nassour to view in Antwerp to ensure that the mining areas were in control of the RUF.<sup>137/139</sup> Global Witness has seen these photographs, which were labelled 'sammy.kono' on Ossaily's computer.<sup>140</sup> Several of the pictures clearly show diamond-mining areas and mining activity. One also shows Ossaily seated in a chair with an AK-47, which, according to Darwish, he was given by the RUF for his own protection whilst in Kono. The pictures were later seized in Antwerp during the Belgian police investigation into Ossaily's diamond trading activities.<sup>140</sup>

### Hanging on the telephone

ASA Diam phone records show that from January 2001 to May 2001, a considerable number of telephone calls were made to Liberia and to RUF members in Sierra Leone. From January to June people from ASA Diam's office spent a total of 31 hours calling Liberia. The majority of these calls were to the Hotel Boulevard.

In January 2001, Ibrahim Bah was called a total of nine times totalling over an hour.

Issa Hassan Sesay was called a known total of 17 times, totalling nearly two hours.

Calls were also made to Belgium, Burkina Faso, Côte d'Ivoire, Croatia, France, Gabon, Gambia, Guinea, Lebanon, Senegal, Sierra Leone, Togo, UK and the USA.

After May 2001, phone records show that Afghanistan, Pakistan, Iran and Iraq were called from ASA Diam's office. Global Witness have not seen these records but the calls have been confirmed by Belgian and UN investigators.

Line	Number	Date	Time	Country	Area	Duration	Cost	Unit
	762657196	1/02/01	7:33:43	LIBERIA	231 226888	0h 0m 30s	0,88	USD
	762657196	1/02/01	7:34:24	LIBERIA	231 226888	0h 0m 30s	0,88	USD
	762657196	1/02/01	7:35:02	LIBERIA	231 226888	0h 12m 18s	22,12	USD
	762657196	1/02/01	7:47:39	LIBERIA	231 226888	0h 1m 6s	1,96	USD
	762657196	1/02/01	7:49:00	LIBERIA	231 226888	0h 19m 36s	35,26	USD
	762657196	1/02/01	8:08:55	LIBERIA	231 226888	0h 1m 6s	1,96	USD
	762657196	1/02/01	8:10:16	LIBERIA	231 226888	0h 19m 36s	35,26	USD
	762657196	1/02/01	8:30:11	LIBERIA	231 226888	0h 1m 54s	3,40	USD
	762657196	1/02/01	8:32:20	LIBERIA	231 226888	0h 1m 24s	2,50	USD
0	762657196	1/02/01	8:34:04	LIBERIA	231 226888	0h 1m 6s	1,96	USD
1	762657196	1/02/01	8:35:25	LIBERIA	231 226888	0h 19m 36s	35,26	USD
2	762657196	1/02/01	8:55:20	LIBERIA	231 226888	0h 1m 54s	3,40	USD
3	762657196	1/02/01	8:57:29	LIBERIA	231 226888	0h 1m 24s	2,50	USD
4	762657196	1/02/01	8:59:13	LIBERIA	231 226888	0h 1m 54s	3,40	USD
5	762657196	1/02/01	9:01:22	LIBERIA	231 226888	0h 1m 24s	2,50	USD
6	762657196	1/02/01	9:03:06	LIBERIA	231 226888	0h 0m 30s	0,88	USD
7	762657196	1/02/01	9:03:44	LIBERIA	231 226888	0h 24m 18s	43,72	USD
8	762657196	1/02/01	21:18:14	LIBERIA	231 226888	0h 19m 24s	34,90	USD
9	762657196	1/02/01	21:37:54	LIBERIA	231 226888	0h 0m 30s	0,88	USD
0	762657196	1/02/01	21:38:38	LIBERIA	231 226888	0h 6m 48s	12,22	USD
1	762657196	1/02/01	21:45:43	LIBERIA	231 226888	0h 0m 30s	0,88	USD
2	762657196	1/02/01	21:46:27	LIBERIA	231 226888	0h 6m 48s	12,22	USD
3	762657196	1/02/01	21:53:32	LIBERIA	231 226888	0h 7m 18s	13,12	USD
4	762657196	1/02/01	22:01:05	LIBERIA	231 226888	0h 0m 30s	0,88	USD
5	762657196	1/02/01	22:01:49	LIBERIA	231 226888	0h 6m 48s	12,22	USD
6	762657196	1/02/01	22:08:54	LIBERIA	231 226888	0h 0m 30s	0,88	USD
7	762657196	1/02/01	22:09:30	LIBERIA	231 226888	0h 3m 48s	6,82	USD
8	762657196	1/02/01	22:13:33	LIBERIA	231 226888	0h 7m 18s	13,12	USD
9	762657196	1/02/01	22:21:06	LIBERIA	231 226888	0h 0m 30s	0,88	USD
0	762657196	1/02/01	22:21:42	LIBERIA	231 226888	0h 3m 48s	6,82	USD
1	762657196	1/02/01	22:25:45	LIBERIA	231 226888	0h 0m 30s	0,88	USD
2	762657196	1/02/01	22:26:21	LIBERIA	231 226888	0h 3m 48s	6,82	USD
3	762657196	5/02/01	8:01:24	LIBERIA	231 226888	0h 0m 30s	0,88	USD
4	762657196	5/02/01	8:02:22	LIBERIA	231 226888	0h 0m 30s	0,88	USD
5	762657196	5/02/01	8:03:04	LIBERIA	231 226888	0h 9m 42s	17,44	USD
6	762657196	5/02/01	8:41:06	LIBERIA	231 226888	0h 0m 48s	1,42	USD
7	762657196	5/02/01	8:42:12	LIBERIA	231 226888	0h 4m 18s	7,72	USD

Asa Diam phone record for February 2001 (partial copy), showing extensive calls to Hotel Boulevard, Liberia.



Darwish has confirmed to Global Witness that Ossaily began to buy as many diamonds from the RUF as possible and also offered to supply a large array of weapons to the RUF.<sup>139/ff</sup> The trading relationship was not without problems. On one occasion, Sesay showed Ossaily a high quality 34-carat diamond. Ossaily asked whether he could pay for the diamond at a later date. A few days later, Sesay provided Ossaily with a parcel containing 2,000 carats of diamonds.<sup>139/gg</sup> However their cash courier, Ly Samba, was delayed in coming from Antwerp and Sesay kept the two men hostage until his arrival in Liberia with the payment. They were only allowed to depart after agreeing to leave US\$50,000 as a partial-payment for the diamonds they were taking.<sup>139</sup>

Ghailani and Mohammed, the al Qaeda operatives, remained in Kono for a further three weeks before returning to Monrovia. Darwish has described in detail to Global Witness the journey that Ossaily and he took back to Foya and Liberia.<sup>hh</sup> When they returned to Monrovia, they met with Samba who handed US\$300,000 in cash to Ossaily. Samba immediately returned to Antwerp with the diamonds, and after a few days Darwish and Ossaily briefly returned to Antwerp in early January for a week.<sup>139</sup>

Ossaily returned to Liberia later in January 2001 with his Belgian girlfriend, Nora Vlasselearts and US\$200,000 in cash. They stayed in the Boulevard Hotel, where he set up a diamond office in room 306.<sup>137/ii</sup>

### A farewell to arms?

After the establishment of the diamond deal, Nassour turned his attention to procuring the requested weapons for President Taylor and the RUF.

During December 2000 and January 2001 Nassour and Ossaily, having established that they could ensure a supply of rough diamonds, turned their attention to procuring weapons for President Taylor and the RUF. This was part of the diamond deal. Detailed below is a complicated and ultimately unsuccessful attempt to source weapons from Latin America. It is included as an

<sup>ff</sup> Darwish has also confirmed this to the former US Ambassador to Sierra Leone, Joe Melrose.

<sup>gg</sup> According to Darwish, Bah arranged a charter flight for Samba on the Liberian air service Weslau Air, as airport closures were slowing down the delivery of cash for the deal<sup>139</sup>.

<sup>hh</sup> After trekking for several days through the bush they were picked up by the Liberian ATU helicopter and taken to the house of the Director of the Special Security Service (SSS), Benjamin Yeaten, in Monrovia on 1 January 2001.

<sup>ii</sup> During the first week of this trip, Darwish rang Nassour in Antwerp to complain about Ossaily, who was spending too much money and drinking heavily.

illustration of methodologies employed in later, and more successful, arms deliveries.

Documents obtained by Global Witness and evidence contained in a report by the General Secretariat of the Organisation of American States (OAS) shows one route used by Nassour and Ossaily for supplying arms to Liberia.<sup>141</sup> It should be noted that Nassour claims the deal detailed below collapsed.<sup>148</sup> Ossaily was later charged with arms dealing by the Belgian authorities, and a Côte d'Ivoirian EUC relating to the deal was found at his home in Belgium<sup>140</sup>.

In late 2000, Nassour had contacted an old Israeli friend of his from the DRC, Shimon Yelenik, who was an arms dealer based in Panama. Yelenik was the former head of security for the Zairian dictator Mobutu Sese Seko.<sup>142</sup> In turn, Yelenik contacted a colleague of his, Ori Zoller, the owner of a private Guatemalan arms dealership, Grupo de Representaciones Internacionales (GIR SA). Zoller, also an Israeli citizen, was a representative of a company called Israeli Military Industries (IMI), and a former member of the Israeli military special forces and intelligence.<sup>141</sup> Documents and emails show how the complicated arms shipments were to be arranged:

From: S. <alt@1000@bellouth.net.pa>  
To: Ori-Zoller <gir@ic.net.gt>  
Sent: Martes 2 de Enero de 2001 6:04 AM  
Subject: Re: Re / ABOUT MY PHONE CALL

> Dear ORI  
> This is an order that our friend in Africa need, please send me your price list  
> and  
> if it is available in your stock.

> please call me-they need it very urgent.

> Regards  
> Simon

> G V wrote:  
>  
> Hello sir,  
>> voici la liste pour LB les késev sont organisés, il faudrait donner une  
>> cotation avec end user ou sans end user. livraisons Liberia.  
>>

>> *	AK 47 rifles	600 units	125
>> *	RPG 7 launchers	200 units	700
>> *	Grenade launchers	400 units	- 0.65 / 40 x 20
>> *	AA TWIN BAREL	400 units	4000
>> *	AA FOUR BAREL	400 units	4000
>> *	HAND GRENADE	6000 units	6000
>> *	ANTI TANK launchers	50 units	1 carat 1.6
>> *	60 mm launchers	40 units	

>> AMMO

>> *	AK 47 round's	1000 boxes	70
>> *	RPG 7 BOMBS	6000 bombs	65
>> *	2000 grenades (grenade launchers)		2000
>> *	40000 rounds (for the AA twin barrel)	40,000	40000
>> *	40000 rounds (for the AA four barrel)	40,000	40000
>> *	200 anti tank rocket's		200
>> *	800 60 mm rocket's		800
>> *	200 Rocket's (for the BM 21 multiple barrel)		200
>> *	20 SAM 8 OR 7 with the specialist		20
>> *	ammunitions 200 boxes		200

>> Voici plus ou moins ce que je voudrais avoir comme info

Emails between Yelenik and Zoller regarding arms deal to Liberia



On 2 January 2001 at 6.04 a.m., Yelenik emailed to Zoller:

'Dear Ori,

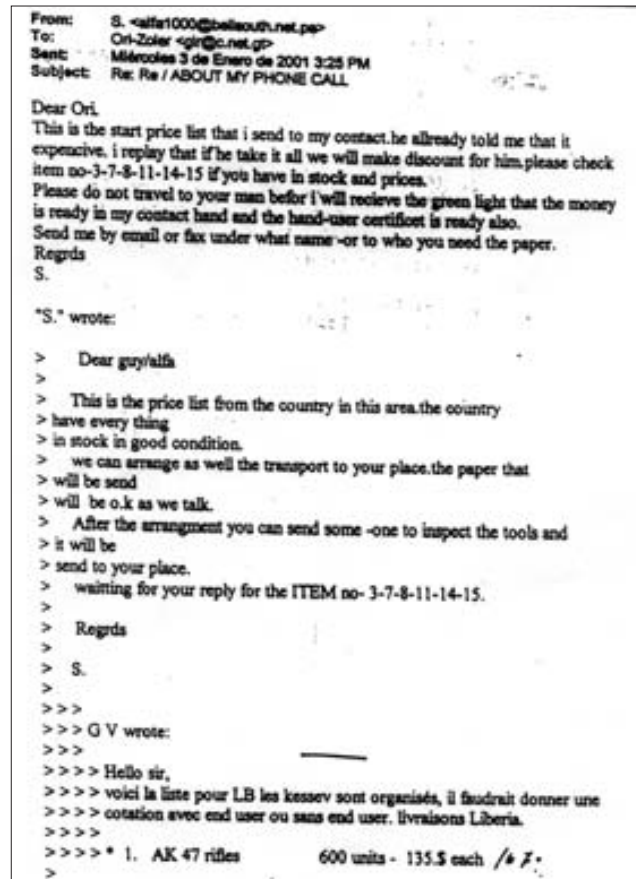
This is an order that our friend in Africa need. Please send me your price list and if it is available in your stock. Please call me – they need it very urgent'

At the bottom of this email is a previous message from 'guy/alfa'. Alfa could be a reference to Nassour, whose codename was 'Alfa Zulu'.<sup>148</sup> The forwarded email states that the weapons are destined for Liberia, and that they need a quote for the weapons with and without an EUC. After receiving the price list for the weapons from Zoller, Yelenik emailed 'guy/alfa, on 3 January, to say that the weapons were available, in good condition and giving the prices. Yelenik also offered to arrange transport of the weapons to Liberia.

Following Yelenik's enquiry Zoller sent a fax to the Inspector General of the Nicaraguan Army, General Roberto Calderón, on 5 January 2001, requesting prices and availability of the arms and ammunition needed. The list included: twin and four-barrel anti-aircraft guns; surface-to-air missiles; rocket-propelled grenades; anti-tank launchers and small arms.<sup>jj</sup>

A Latin American EUC was needed to legitimise the export of arms. Nassour and Ossaily already had an Ivorian EUC, dated 8 January 2001, to cover the import of the weapons. Global Witness has obtained a fax detailing how to write the EUC. This handwritten fax was sent to Bah in Liberia on 16 January 2001.<sup>143</sup> Yelenik received a typed version of the EUC on the same day in the Marriott hotel in Miami.

On 17 January 2001 Bah, Darwish, and Ossaily were in Monrovia for a meeting with RUF commander Sesay to discuss what weapons and medical supplies to buy and how to bring them into Liberia. A handwritten note, written by Bah shows rudimentary sums for arms purchases and transportation costs for a range of weapons. According to sources present at the meeting Nassour was to procure the weapons.<sup>137/139</sup> Ossaily was also attempting to procure a list of essential medical supplies for the RUF; this was faxed to Yelenik on 17 January 2001 (see Annex 7 page 84).



Email negotiations between Yelenik and Zoller

Hand written instructions for Guatamalan EUC sent to Bah in Liberia



Transcription of Guatamalan EUC

<sup>jj</sup> Evidence of these transactions was revealed in 2002 when investigators from the General Secretariat of the OAS were investigating the illegal diversion of over 5000 AK-47s and 2.5 million rounds of ammunition from Nicaraguan Government stocks to the Colombian paramilitary group, the Autodefensas Unidas de Colombia (AUC) or United Self Defense Forces of Colombia, in 2000 and 2001. The investigation found that Ori Zoller had bought the AK-47s and ammunition legally from the Nicaraguan National Police, and that Yelenik had offered to buy the arms from Zoller. In meetings Yelenik had claimed to represent the Panamanian National Police and presented GIR and Zoller with forged Panamanian Police purchase orders for the arms. After the original AK-47s were found by Yelenik to be unserviceable, the order was changed to 3,117 serviceable arms from the Nicaraguan Army inventory. The arms were then legally shipped by sea to Panama aboard the Panamanian registered ship, *The Otterloo*. However the ship's real destination was Turbo in Colombia, where the arms were delivered to the AUC, apparently unbeknown to either the Nicaraguan, Panamanian or Columbian authorities. A further arms shipment was then arranged involving GIR, the Nicaraguan Army and Yelenik<sup>141</sup>.

On 18 January 2001 Nassour visited Bah in Ouagadougou. Nassour has confirmed that this meeting took place and has provided a copy of his airline ticket to Global Witness.<sup>148</sup> However he claims the meeting was only about a diamond deal.<sup>kk</sup> Subsequently after being shown a copy of the Ivorian EUC and the handwritten fax he admitted to Global Witness that he had attempted to arrange the weapons deal on the basis of a 20% commission through an old friend of his from the DRC, a 'Mr Simon.'<sup>148</sup> This turned out to be Shimon Yelenik.<sup>140</sup> Nassour further sought to justify his involvement in the deal by saying that the EUC supplied to him stated that the final destination for the arms was the Côte d'Ivoire,<sup>ll</sup> and that he had no idea that the arms would be diverted to President Taylor and the RUF.

However the discovery of the documentation in Panama shows that Nassour is intimately involved in the attempted illegal arms shipments to Liberia. The emails in Global Witness' possession clearly state that the arms are destined for Liberia and ask for prices with and without a EUC, showing a clear intent to break the UN arms embargo on Liberia. Global Witness believes, given the available evidence, that Nassour was the instigator of the weapons deals and knew exactly the destination of the weapons and whom they were for and as a result should he further investigated by law enforcement agencies.

150 x 400 = 60,000  
 50 x 500 = 25,000  
 50 x 500 = 25,000

60 000  
 25 000  
 53 571  
 240 000  
 378 571  
 378 571  
 757,142

1 AK 47 = \$150 U.S.D  
 1 R.P.G + Luncher = \$ 500 U.S.D  
 1 AK 47 Box = \$1065 U.S.D  
 1 R.P.G + Bomb = \$ 120 U.S.D

# 1.300.000 U.S.D

\$ 378.571 U.S.D

(to be added) P.K.M.S 400 unit with <sup>200</sup>400 Boxes Amm  
~~80 unit G.A.M.G~~

\$ 80,000 U.S.D P.K.M.S  
 \$ 30,000 U.S.D 400 Boxes Amm.  
 757,142 U.S.D  
 \$ 867,142 U.S.D  
 200,000 Air Craft.  
 1067,142

Quantity to be doubled, plus the P.K.M.S and the whole job for the two region is done.

Bah's handwritten notes detailing arms needed and prices of arms

AGENT COUPON WSPN 10P1  
 SABENA BELGIAN WORLD  
 NASSOUR/AMR  
 BRUSSELS-BRU  
 OUAGADOUGOU  
 BRUSSELS-BRU  
 REF 108150  
 BE 650  
 BP 172  
 ZJ 246  
 REF 108114

Nassour's ticket from Brussels to Ouagadougou 18 January 2001

x 400 PCS 800  
 x 50 PCS 100  
 x 500 BOXES 1000  
 2000 PCS 4000

AK 47 F. LES  
 R.P.G. LUNCHERS x 2  
 AK 47 A MO  
 R.P.G. BOMBS

+ 400 P.K.M.S unit with 400 Boxes of P.K.M.S Ammo

Bah's list for arms and ammunition from 17 January meeting

<sup>kk</sup> Nassour claimed to Global Witness that Bah had telephoned him offering to sell him a parcel of 30,000 carats of diamonds<sup>148</sup>.

<sup>ll</sup> At the time the Côte d'Ivoire was not under a UN arms embargo.



### Late January 2001: Safe house established for diamond trading.

The diamond trading activity continued during the attempted arms procurement phase. Darwish has confirmed to Global Witness that Nassour gave instructions that the operation must not attract unwanted attention and it was agreed that he and Ossaily should move from the Boulevard Hotel to a non-descript house in Monrovia.<sup>139</sup> On 22 January, Darwish signed a rental contract on a house in Monrovia. The house was located at Warrant Avenue, between 14 and 15 Streets, Sinkor. The three-year lease was to take effect from 1 February 2001.

The length of the lease shows Nassour's long-term commitment to the diamond-buying operation and Darwish has confirmed that he, rather than the others, was obliged to sign his name on the documents in order not to attract any attention from investigating authorities.

### February 2001

During February various attempts were made to source weapons for President Taylor and the RUF. Receipts from the Hotel Boulevard show that on 6 February 2001, Bah and Darwish checked out of the hotel.<sup>144</sup> On 9 February Darwish returned to Antwerp with a Gambian and an Ivorian EUC, obtained through Baba Jobe, a Gambian politician, which were to be used to legitimise the arms deal detailed above.<sup>139</sup> Three months later on 7 May 2001, Jobe was placed on the UN Liberia travel ban<sup>145</sup> being described as an arms dealer and director of Gambia Millenium Airline.<sup>mnn</sup>

On arrival back in Antwerp, Nassour made arrangements for Darwish to go to Bulgaria and then to Russia to attempt to procure more arms there.<sup>mnn</sup> However the trips were not made and Darwish claims that he began to have second thoughts about the illegal arms deal. He decided to inform the US authorities of the plan and had a meeting at the US embassy in Brussels, in February 2001, at which the embassy personnel advised him not to return to Monrovia. They also took a copy of the Ivorian EUC.

According to Darwish, he ended his

<sup>mnn</sup>Jobe had been trained by President Taylor and was a member of the Gambian Special Forces. At the time of the travel ban Jobe was Assistant Secretary at the Office of the [Gambian] President, and is currently the Majority leader in the Gambian Parliament. Source: 'UN Slaps Ban on Baba Jobe; Charles Taylor Aides Also Punished', *The Independent*, Banjul, June 8 2001 and 'Opposition Swipe at Baba Jobe' *The Independent*, Banjul, 22 November 2002.

<sup>mnn</sup>Belgian investigators have confirmed to Global Witness that telephone records from ASA Diam show an increase in the number of calls to Russia at this time<sup>140</sup>.

involvement by moving to Portugal, where he had previously owned a business. Darwish did however keep the original Ivorian EUC until Bah demanded its return in March 2001, at which point Darwish handed the original document over to Ly Samba, who had been couriering money for Nassour.

Nassour made his first trip to Liberia on 15 February 2001 to meet President Taylor. Hotel bills dating from 15 February to 2 March show that he stayed at the Hotel Boulevard. When Nassour was contacted by *The Washington Post* about this trip, he denied being in Liberia on those dates, claiming that someone must have used his name (although he has not been able to explain why anyone should do so.<sup>148</sup>)

Nous, son Excellence Monsieur LIDA Kouassi Moïse, Ministre d'Etat, Ministre de la Défense et de la Protection Civile de la République de Côte d'Ivoire autorisons la Compagnie NATACO HOLDING PLC BULGARIA de louer le matériel des articles ci-dessous désignés :

DESIGNATION	QUANTITE
- Ammunition 7,62 x 39	5000 000
- Thermal Image Weapon (NSPI) 1)	20
- PG7-0G7 Grenades	1000
- Ammunition 9 x 19 mm	1000 000
- Grenades for AOS-17	1000
- GP Katyush Launcher (Marque "nassour" IN TA OTTOM PAHA)	20
- RPG-7	200
- Sniper Out 7,62 x 54 mm	20

Partial copy of Ivorian EUC

Republic of Liberia  
Montserrado County

Office of the Notary Public  
Monrovia, Liberia

### NOTARY CERTIFICATE


Personally Appeared Before Me in My Office within the City of Monrovia, Montserrado County, Republic of Liberia this 22ND day of JANUARY, A. D. 2001 duly qualified Notary Public for and in the County of Montserrado and in the Republic of Liberia the Parties to the attached documents:

AGREEMENT OF SUB-LEASE  
BETWEEN MR. BALIN HALANE, AS THE SUB-LESSEE  
AND MR. ALI DARWISH, AS THE SUB-LESSOR, MADE  
AND ENTERED INTO ON JANUARY 22, 2001 TO TAKE  
EFFECT FEBRUARY 1, 2001.

and did in my presence and in the presence of each other execute and signed their genuine signatures on the said Instrument(s) to be the person(s) they represent and that the same was made in my presence and declared by each of them to be their voluntary acts and in their own hand writings.

Therefore, I Mary Mamie Howe, Notary Public aforesaid, have attached my Official Signature Notary Seal to avail when and where necessary.

I have affixed my genuine Signature attesting to this transaction by the power vested in me this 22ND day of JANUARY, A. D. 2001

  
MARY MAMIE HOWE  
NOTARY PUBLIC, MONTSERRADO COUNTY, R.L.  
\$2.50 REVENUE STAMPS AFFIXED ON THE ORIGINAL

Lease document for safe house in Monrovia signed by Darwish, 22 January 2001

## War and peace in Sierra Leone

In March 1991 the war in Sierra Leone began when a few hundred men crossed over the Liberian border and attacked towns in eastern and southern Sierra Leone. A coup in Freetown in May 1992 allowed the rebel incursions to continue, and in late 1992 the RUF captured Kono, the diamond mining capital of Sierra Leone. The country's new ruling body, the National Provisional Ruling Council (NPRC) launched Operation Genesis to defeat the rebels but had little success.

In early 1996 elections were held in Sierra Leone and the RUF were invited to participate. They refused and launched a terrifying and brutal campaign of intimidation against voters and children, using amputation of hands and feet. The eventual victor in the elections was President Ahmed Tejan Kabbah, who accelerated efforts to reach a peace agreement with the RUF. In November 1996 a peace agreement was signed in Abidjan. However, a few months later the RUF collaborated with rogue elements in the Sierra Leonean army and overthrew Kabbah. The Armed Forces Ruling

Council (AFRC) was formed to rule the country. The Nigerian led forces of the Military Observer Group of the Economic Community of West African States (ECOMOG) finally drove the AFRC from Freetown in February 1998 and reinstated Kabbah.

The RUF and renegade soldiers withdrew into the bush and, by late 1998, they had re-taken the Kono diamond district. In January 1999, they launched a brutal onslaught on Freetown, killing an estimated 6,000 civilians and mutilating many more. The government were forced to sign a second peace agreement in July 1999 in Lomé, Togo, which legitimised the RUF and brought it into the government with several cabinet positions. The RUF leader, Corporal Foday Saybanah Sankoh was appointed a Vice-President and Chairman of a Commission for the Management of Strategic Resources, National Reconstruction and Development.

In March 2003, the UN Special Court in Sierra Leone indicted several of those involved in the civil war in Sierra Leone for war crimes, crimes against humanity, and violations of international humanitarian law. The crimes alleged in the indictments include murder, rape, extermination, acts of terror, enslavement, looting and burning, sexual slavery, conscription of children into an armed force, and attacks on UNAMSIL peacekeepers and humanitarian assistance workers.



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**A teenager who lost both hands to rebels' machetes, Waterloo Camp, Sierra Leone, 1998**

## President Charles Taylor



**Charles Taylor**

President Taylor uses many forms of political manipulation. An example uncovered by Global Witness is his use of what is effectively an escort agency in Monrovia. The agency, which has twenty women on its books, is called 'Diakbahnah Movement' and is run by Emma Smallwood, a cousin of President

Taylor, who personally supervises the selection of the women. The women (who are offered scholarships, clothes, an apartment and US\$200) and who are then used to blackmail members of the international community based in Monrovia. Arms smuggled into Liberia are stored under President Taylor's villa in Monrovia Yassa Zoe. This secret bunker is known to Taylor and his close circle as White Flower, his nickname for his mother; stretches the length of Taylor's swimming pool and tennis court.<sup>137</sup>



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**President Taylor's mansion**



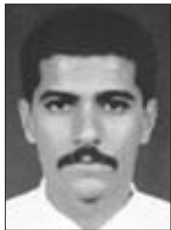
March 2001: al Qaeda operatives returned to Liberia from Pakistan



Main name  
Fazul Abdullah Mohammed  
  
Liberia Visa  
Mohammad D. Keneme  
  
Known as  
Kene



Main name  
Ahmed Khalfan Ghailani  
  
Liberia Visa  
Soulemani M Guessen  
  
Known as  
Sule



Main name  
Abdullah Ahmed Abdullah  
  
Liberia Visa  
N/A  
  
Known as  
Moustafa

REPUBLIC OF LIBERIA  
BUREAU OF IMMIGRATION  
MINISTRY OF JUSTICE  
MONROVIA

OFFICE OF THE COMMISSIONER  
Immigration Commander  
Roberts International Airport  
Margibi County  
Republic of Liberia

**AIRPORT VISA**

MOHAMMAD D. KENEME YEMENESE

is due to arrive in Liberia via  
Airport

guest(s) of Mr. Abrahima Bah  
Sinkor Telephone No.

You are further directed to allow him

Visa waiver form for Fazul Abdullah Mohammed

REPUBLIC OF LIBERIA  
BUREAU OF IMMIGRATION & NATURALIZATION  
MINISTRY OF JUSTICE  
MONROVIA, LIBERIA

OFFICE OF THE COMMISSIONER  
Immigration Commander  
Roberts International Airport  
Margibi County  
Republic of Liberia

AIRPORT VISA NO. 011/ BIN

**AIRPORT VISA**

SOULEMANI M. GUESSEN YEMENESE xxxxxxxx National(s)

is due to arrive in Liberia via Roberts International  
Airport without the necessary Entry Visa(s), as a

guest(s) of Mr. Abrahima Bah of 15th Street,  
Sinkor Telephone No.

You are further directed to allow him to enter and indicate in his  
Passport (s) "SEEN ON ARRIVAL" or grant unto him a period which he  
intend(s) to temporarily stay in Liberia, but not to exceed the statutorily required period.

Visa waiver form for Ahmed Khalfan Ghailani

**March 2001**

*March 2001 saw the beginning of a nine month joint diamond buying operation by al Qaeda operatives in Sierra Leone and Liberia.*

In March 2001, Ghailani and Mohammed, returned to Liberia. They travelled from Burkina Faso where they had been living under the protection of Burkinabe President Compaore.<sup>146</sup> Their visa waiver forms show that they had been invited by Bah and were using false names and nationalities. Whilst in Sierra Leone and Liberia they used the names Mohammad D. Keneme and Soulemani M. Guessan as is detailed on the waiver forms.

As can be seen from the forms they were claiming Yemeni nationality. This is an unusual security lapse on the part of al Qaeda, as Yemen has no known connections to the diamond trade but is heavily associated with al Qaeda. It would have been far less conspicuous to use West African passports, which they could easily have obtained.<sup>oo</sup> (Mohamed Sadeek Odeh, a colleague of Ghailani and Mohammed in Kenya and Tanzania who was convicted for the Kenyan embassy bombing, was caught on 7 August 1998 in Pakistan while travelling on a fake Yemeni passport.<sup>93</sup>) Ghailani and Mohammed were indicted in September 1998 in the United States for their involvement in the bombings of the US Embassies in Tanzania and Kenya.<sup>pp</sup>

Several eyewitnesses to events have identified Guessan as Ghailani and Keneme as Mohammed.<sup>137/139</sup> A lawyer employed by Ossaily has stated that Ossaily positively identified one of the two al Qaeda suspects whilst in detention in Antwerp.<sup>147</sup>

Ghailani had extensive experience of diamond trading across Africa, and after moving from the Hotel Boulevard to the safe-house set up in late January, he described having carried out such work in Congo-Brazzaville, the CAR and having recently been involved in diamond trading in Uganda and the DRC. He stated that whilst he was in the DRC he had been involved in a diamond mining operation near the Zambian border, and had travelled into UNITA territory

<sup>oo</sup> Soon after Ghailani and Mohammed arrived they were mistakenly arrested by the Liberian police for illegal diamond trading. However, the Liberian authorities were quickly advised of their arrest and Lieutenant Maciferran Momo Jibba (also known as Jebba), President Taylor's Senior Aide-de-Camp and Battalion Commander of the ATU) ensured their release.<sup>137</sup>.

<sup>pp</sup> Ghailani told a source in the safe house in Monrovia that he had previously lived in Kenya and Tanzania. Both he and Mohammed spoke Swahili, Arabic and French.<sup>137</sup>.

<sup>93</sup> Macky was a director of ASA Diam from 1994 –2000.

<sup>rr</sup> Bah has stated that on 1 April 2001 he moved to the safe house rented by Darwish and stayed there until 23 July 2001, when he left for Burkina Faso.

in Angola to buy diamonds.<sup>137</sup>

The two operatives initially stayed at the Hotel Boulevard. Ossaily was also staying in the Hotel Boulevard at this time with his girlfriend Nora Vlassearts, Abbas Jawad Macky<sup>99</sup> and Ly Samba. After a few days Mohammed left for Kono to oversee the diamond-buying operation there and Ghailani moved to the safe house to oversee the Liberian end of the operation. His role was to move the money and diamonds between Kono and Monrovia.

At this stage in the operation there were concerns by the al Qaeda operatives and Darwish that Ossaily was becoming too high profile in Monrovia. Ossaily had been drinking heavily, was lavishing money on officials and had been making diamond deals on the side.<sup>137/139</sup> Nassour recalled Ossaily and Vlassearts to Antwerp and sent out his cousin Zein Nassour to replace him.<sup>148</sup>

**April 2001:****Abdullah Ahmed Abdullah returns**

Abdullah Ahmed Abdullah, the senior al Qaeda commander who had made al Qaeda's first contact with the RUF in September 1998 arrived back in Monrovia in April 2001 to assume control of the operation. He stayed for a short time at the Boulevard Hotel and then moved to the safe house. In the house, Abdullah controlled all of the finances for the two other al Qaeda operatives. Abdullah apparently had a picture of bin Laden in his room and often played Hizbullah promotional videos showing food distribution in Lebanon and terrorist operations against Israeli troops.<sup>137</sup> By April a number of the key players were staying at the safe house including Bah,<sup>rr</sup> Ghailani, Abdullah, Macky and Samba.<sup>137</sup>

**May 2001: the UN travel ban**

On 7 May 2001, the UNSC passed Resolution 1343 which imposed a global travel ban on key individuals responsible for fuelling the conflict in



**Hotel Boulevard**



Sierra Leone. Both Nassour and Ossaily were placed on the travel ban list. However, in practice the UN travel ban was wholly ineffectual, as a partial copy of one of Nassour's multiple passports shows.

- On 11 July 2001 he received a Schengen one-month visa from the Spanish Embassy in Beirut (15-07-2001 to 15-08-2001; no. E04203114);
- On 18 July, a visa for a French-speaking African country was given.
- On 19 July there is an entry stamp for the Ivory Coast at Felix Houphouet-Boigny airport.
- On 31 October 2001 he received a two-year Schengen visa for Spain from the Spanish Embassy in Beirut (24-11-2001 to 22-03-2003; no. E0513254)

Nassour admits to travelling to Burkina Faso during May 2001 to meet Bah for a diamond deal.<sup>148</sup> At this meeting he gave Bah US\$50,000. Nassour has admitted to Global Witness that this was a bribe but claims the money was to gain access to a Liberian mobile phone contract.<sup>148</sup> Also in early May 2001, Macky came from Antwerp to Monrovia with US\$1.2 million in cash, US\$600,000 of which was a donation to President Taylor's National Patriotic Party (NPP).<sup>148/ss</sup>

### June 2001: al Qaeda audits the books

In June a fourth al Qaeda operative arrived in Monrovia to audit the accounts of the joint diamond buying operation.

In June Abdullah reported to al Qaeda colleagues that there were concerns about missing money and diamonds and that their partners were not fulfilling the deal. It was decided that a fourth al Qaeda operative should be sent to audit the records in Liberia and Belgium.<sup>137</sup> Belgian government officials have confirmed that from May 2001 telephone records from ASA Diam show that calls were made to Afghanistan, Pakistan, Iran and Iraq.<sup>140</sup> Nassour has admitted to calling a Lebanese

**BUREAU OF IMMIGRATION & NATURALIZATION**  
**MINISTRY OF JUSTICE**  
**MONROVIA, LIBERIA**

OFFICE OF THE COMMISSIONER  
 tn: Immigration Commander  
 Roberts International Airport  
 Margibi County  
 Republic of Liberia

AIRPORT VISA NO. 011/

**AIRPORT VISA**

Ms. FERIEL SHAHIN \* LIBANESE xxxxxxxx

is due to arrive in Liberia via Roberts Internat  
 Airport without the necessary Entr  
 guest(s) of Mr. Abrahima Bah of 15th St  
 Sinkor Telephone No. xxxxxxxx

You are further directed to allow HER to enter and indicate in Her  
 Passport (s) "SEEN ON ARRIVAL" or grant unto HER a period which SE  
 intend(s) to temporarily stay in Liberia; but not to exceed the statutorily required period.

You are, therefore, directed to advise the appropriate airline accordingly.  
 And for so doing, this shall constitute your legal and sufficient authority.

Given under my hand this 16th day of JUNE  
 2001, in the City of Monrovia, Liberia

### Visa waiver form for Ferial Shahin

minister who was in Iran on personal business<sup>149</sup> but is at a loss to explain the other calls, stating that anyone could have walked into the office and used the phone.<sup>150</sup> Again Global Witness believes this explanation is not credible and notes that the timing would be consistent with the noted concern about missing money and diamonds by Abdullah and the RUF.

In mid June the al Qaeda operative arrived to audit the books. The Liberian visa waiver form is dated 16 June 2001 and is made out to Ms Ferial Shahin, claiming Lebanese nationality.<sup>151</sup> As with Mohammed and Ghailani's visa forms, Shahin came as the guest of Bah who had given the completed visa waiver form to Abdullah. The form was apparently faxed to Quetta in Pakistan.<sup>137/uu</sup> While in Monrovia, Shahin met with Eddie Kanneh, the person then responsible for transferring the RUF's money and diamonds, and the RUF's spokesman, Gibril Massaquoi, presumably as part of this financial investigation. Prior to her arrival in Liberia Shahin apparently spent several days in the office of ASA Diam in Antwerp.<sup>137</sup>

<sup>ss</sup> This caused the Chairman of the NPP, Cyril Allen, considerable problems, as he was later accused by President Taylor of stealing some of the money and was sacked as NPP Chairman.

<sup>tt</sup> In December 2001 accusations were detailed by Sesay that Bah had stolen money from the operation.

<sup>uu</sup> Quetta has no known diamond trading or cutting facilities but it is an al Qaeda operations base.

A source interviewed by Global Witness has confirmed that Shahin stayed for only one week in the safe house. In late June 2001 Shahin left Liberia along with Ghailani and Mohammed. Pakistani intelligence sources have confirmed that the three travelled back to Afghanistan in late June 2001, via Shahrah-e-Faisal, Karachi, Pakistan, where they stayed in a hotel for a few days, and then onto Quetta and over the border to Afghanistan, where their trail was lost.<sup>152</sup>

### July 2001

In July Nassour made two trips to Liberia.<sup>146/137</sup> The first was made in early July when he met President Taylor, however Nassour denies the trip took place. He does admit to making the second trip in mid July.

Nassour's first trip took place in early July. A visa waiver form dated 9 July 2001 shows that Nassour was a guest of 'Mr Abrahima Bah' (see Annex 7 page 90). The main purpose of his trip was to ask the RUF commanders to double their diamond production for which Nassour would pay above market prices.<sup>137</sup> He was also going to challenge Bah about significant sums of money that had disappeared, however Bah left the day before he arrived.<sup>137</sup> Over the course of the diamond-buying operation it appears that Bah stole nearly US\$500,000 from Nassour, although Nassour states that the total figure was only US\$40,000.<sup>148</sup> A letter to President Taylor written by Sesay, the RUF interim-commander, dated 31 December 2001 seems to confirm that substantial amounts of money were stolen<sup>153</sup> (see Annex 7 page 89).

On this first trip Nassour met with President Taylor and gave him a US\$250,000 political donation when they met in Maryland County, where Taylor was on a political rally.<sup>137</sup> On this trip Nassour also met with the Director of the Liberian Special Security Service (SSS) General Benjamin Yeaten.<sup>137/148</sup> When interviewed by Global Witness Nassour denied ever meeting with President Taylor.<sup>148</sup> Nassour has admitted that he did travel to Liberia but claims he was not there in early July. However the visa waiver form of 9 July together with eyewitness accounts cast doubt on Nassour's denials. Entry stamps in his passport confirm Nassour's second visit to Liberia.<sup>w</sup> They show that he arrived Abidjan on 19 July and then went to Liberia on 20 July and then left from Abidjan on 24 July. During the second July trip Nassour claims that President Taylor refused to meet with him and as a result

<sup>w</sup> Nassour has confirmed that he has at least three other passports, which were not shown to Global Witness; also the passport that was given to Global Witness was not complete with several pages being left out.

### Nassour's Lebanese passport



he was stuck in Monrovia. He admits that he met Bah and Sesay in the Boulevard Hotel on the first night.<sup>148</sup> Both July trips have been confirmed by a European intelligence report into the events which notes that prior to the second trip Nassour had travelled through Dubai, where he picked up US\$1 million in cash, which he later gave to President Taylor.<sup>146</sup> The same report notes that the al Qaeda operatives, Ghailani and Mohammed, were in Ougadougou at this time staying in the presidential complex, Maison des Hotes, in the district of Zone de Bois. The report notes that the two stayed there until the summer of 2002 having recently arrived from Pakistan and were on their way back to Liberia and Sierra Leone.<sup>146</sup>

It is probable that Nassour's visits to President Taylor, Bah and senior RUF commanders in July 2001 were successful and led to an increase in the production of diamonds by the RUF a theory seemingly confirmed by documentation obtained by Global Witness. In July 2001 a letter sent by Sesay to President Taylor notifies him that following President Taylor's recommendation the RUF will sell all their diamonds to Nassour. (See opposite.)



**General Benjamin Yeaten, Director of SSS**



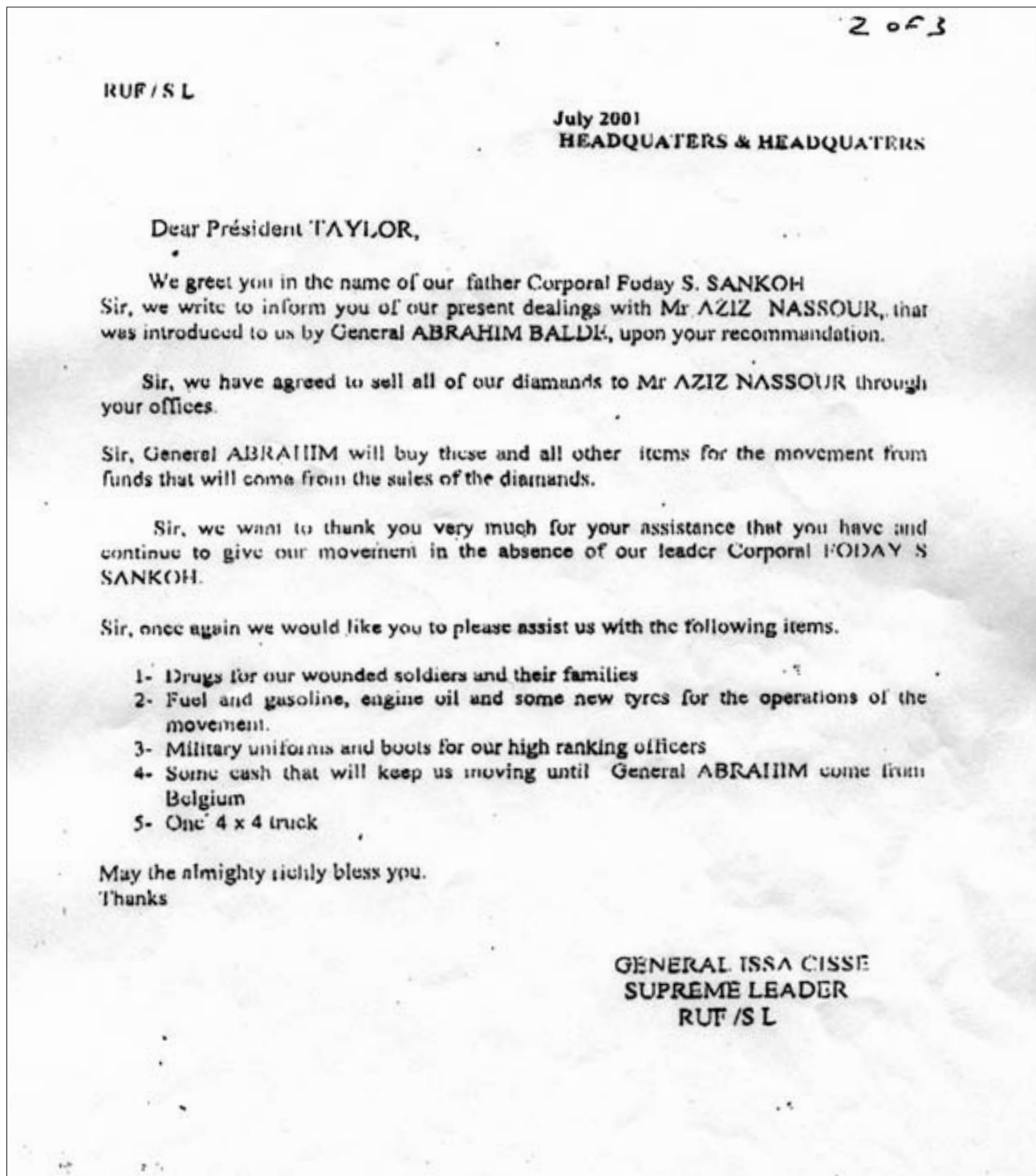
Events in Sierra Leone again seem to confirm this agreement. On 19 August 2001, *The Washington Post* reported that the RUF were 'mining at an unprecedented pace' using 'the forced labour of children and young men to greatly expand their diamond mining.'<sup>154</sup> A fifteen-year-old miner, Salu Ansumana, testified to the conditions of slave labour that existed:

'You can see that we are not rich, if we had money, we would not be here. We are working hard for other people, not ourselves. Now I cannot say any more'.<sup>154</sup>

Diamonds were also being mined on a twenty-four hour basis, using arc lights. A RUF commander known as Major Nikol stated: 'We are mining now more than ever.'

### **The operation begins to falter**

Despite the increase of diamonds there appeared to be problems with Nassour's cash flow into the operation. In late July the occupants of the house in Monrovia had to sell the generator for US\$4,500 to meet the costs of running the house<sup>137</sup>. This cashflow problem resulted in Nassour being unable to meet the payments for



Letter from Sesay (Cisse) to President Taylor confirming Aziz Nassour's diamond monopoly with the RUF July 2001

the diamonds from Sesay. As a result Sesay withheld the diamonds and kept Mohammed hostage in Kono. He was not released until November 2001 when Nassour paid over US\$84,000, using Ly Samba to take the cash into Liberia. Ghailani had refused to leave Liberia without his colleague. Once the money had been paid over Mohammed returned to Monrovia and then both travelled to the Gbatala ATU camp where they were hidden. In early November Abdullah left Liberia.<sup>137</sup>

### **November 2001: How *The Washington Post* uncovered the al Qaeda connection**

In the aftermath of the al Qaeda attacks on the US, *The Washington Post* journalist Douglas Farah<sup>ww</sup> was in Abidjan following up an unconfirmed intelligence report that Hizbullah Security Chief, Imad Mughniyah was in Abidjan raising funds for Hizbullah (for information on Mughniyah, see opposite). Farah had with him a copy of a *Newsweek* magazine containing the only known picture of Mughniyah, who is on the FBI's most wanted terrorist list, which also includes al Qaeda operatives. He showed the photograph to RUF and Liberian contacts that might have knowledge of Mughniyah's whereabouts in the Ivory Coast. Although no one had seen Mughniyah, one of his sources did recognise the three al Qaeda operatives who were pictured in the same magazine: Abdullah Ahmed Abdullah; Ahmed Khalfan Ghailani and Fazul Abdullah Mohammed.<sup>155</sup> The source had detailed knowledge of the three men's previous movements and their mission in Liberia and Sierra Leone to buy diamonds. On 2 November 2001 Farah exposed al Qaeda's diamond buying operation in Sierra Leone and Liberia in *The Washington Post*.<sup>8</sup>

### **The al Qaeda suspects – band on the run**

Following the November 2001 articles in *The Washington Post*, the Pentagon began to take a keen interest in al Qaeda's Sierra Leonean diamond-dealing operations. The DIA began to receive multiple and credible intelligence reports of confirmed sightings of the two al Qaeda operatives, Ghailani and Mohammed.<sup>156</sup> By late November 2001, they were seen in Liberia at the ATU training camp at Gbatala, with two other unidentified Arabs.<sup>146</sup> The latter had been brought in by Nassour to train paramilitaries in weapons, assault tactics, laying landmines and the use of the plastic explosive C4.<sup>137</sup> US Government sources say that the DIA alerted a Special Forces team in Guinea to ascertain the

### *Imad Mughniyah*

In 2001, *The Washington Post* correspondent Douglas Farah received an unconfirmed intelligence briefing that Imad Mughniyah was in Côte d'Ivoire on a fundraising mission.



Mughniyah is a former specialist with the PLO's elite Force 17, as well as working with its Islamist wing – Ayatollah Khomeini's Fatah Islamists. He joined Hizbullah as a bodyguard to its spiritual leader Sheikh Fadlalah and later became head of external operations.<sup>84</sup> He is credited with the operation that forced the withdrawal of the US-led Multinational Forces (MNF) that came to oversee the evacuation of the PLO from Beirut in August 1982. Mughniyah is also suspected of having planned and supervised the simultaneous suicide bombings of the US marine barracks and the French paratroop headquarters in Beirut on 18 April, 1983. In response to these attacks, which claimed 241 American and 58 French lives, the multinational peacekeeping force withdrew from Lebanon. According to Gunaratna, it was Mughniyah who inspired bin Laden to develop coordinated, simultaneous attacks as a regular modus operandi. Mughniyah also helped al Qaeda develop their agent-handling systems, having specialised in conducting long-range operations – including the suicide bombing of the Jewish community centre and the Israeli consulate in Buenos Aires in 1992 and 1994 respectively.

whereabouts of the al Qaeda operatives.<sup>156</sup> The Pentagon took the intelligence reports so seriously that a Special Forces team was prepared in Guinea in December 2001. The DIA is quoted in *The Washington Post* as saying:

'We had multiple, reliable intelligence reports that those two [Ghailani and Mohammed] and two others were in Gbatala, and we stood a team up for the snatch, but in the end we couldn't get the 100 percent identification we needed to pull the trigger and cause a possible international incident. After about a week, the group stood down.'<sup>156</sup>

The current whereabouts of the al Qaeda operatives is still unknown. European intelligence analysts have confirmed to Global Witness that a US intelligence report stated that the identification papers of Fazul Abdullah Mohammed were found on a body at the airport at Kandahar, Afghanistan by US ground troops.<sup>86</sup>

<sup>ww</sup>Douglas Farah was the West Africa Bureau Chief for *The Washington Post*.



Map of Liberia showing Gbatata

### April 2002: The arrest of Samih Ossaily in Belgium

On 12 April 2002, Ossaily was arrested at Brussels airport. During a subsequent search of his flat in Antwerp important documents and evidence were recovered which confirmed the version of events in Liberia and Sierra Leone described by *The Washington Post* and explored in more detail in this report. These included a copy of the Ivorian EUC, photographs from Sierra Leone showing diamond mining activity in RUF territory, a digital recording of an argument between Ossaily and Nassour over money he owed to Ossaily for work in Liberia, a copy of a notepad with the satellite telephone number of Keneme (Mohammed), and a list of specifications for 20 Draganov sniper rifles.<sup>140</sup> In March 2003, the trial began of Ossaily on charges of money laundering, arms dealing, and dealing in UN embargoed diamonds from Sierra Leone.

### May-July 2002: Nassour brings three shipments of weapons into Liberia

Although the Sierra Leonean and Liberian diamond dealing operations of Nassour were in disarray, he and others continued to traffic arms to Liberia.<sup>xx</sup> Information gathered by Global Witness<sup>yy</sup> indicates that in May and July Nassour paid for two shipments of arms brought into Harper Port, Liberia. He used a French arms trader based in Paris as the supplier. This middleman was a close contact of Bah's, and had previously supplied arms to Liberia in 1998. Both shipments of weapons and ammunition were sourced in Bulgaria and transited via Nice. The May shipment was destined for RUF commander Sam Bockarie. The 30-ton consignment included 20 Glock submachine guns.<sup>137</sup> The July shipment

consisted of 15 tons of ammunition in three containers. The containers were checked and unloaded onto trucks by Joachim Touah, assistant director of the SSS, Bah, and members of the ATU and SSS. They were driven to Banga for use against the LURD in Lofa County.<sup>137</sup>

In June 2002, a meeting of those involved in the diamonds-for-arms operations took place in Burkina Faso.<sup>137</sup> At the meeting were Bah, Bockarie, Jewel Taylor (Charles Taylor's current wife), Colonel Jibret, and Mr Jinjerry, President Compaore's Chief of Security. Jewel Taylor had taken her husband's plane to Man airport in Côte d'Ivoire and from there travelled by road through Côte d'Ivoire to Banga in Burkina Faso (confusingly there is also a Banga in Liberia), and finally to President Compaore's farm. The meeting discussed how to deal with the situation in the light of the recent allegations against Nassour and President Taylor, and the forthcoming Sierra Leone War Crimes court. During the meeting Nassour was offered sanctuary in Liberia by President Taylor, in return for investing in Liberian logging deals, including a concession area for himself in the south east of Liberia. The possibility of shooting down a UN helicopter or plane was discussed in order to destabilise the security situation in Sierra Leone and thus delay the work of the court.<sup>137</sup> This would have been easily achievable with the arms that had been supplied to the Liberians by Nassour. The United Nations Mission in Sierra Leone, UNAMSIL, is well aware of this potential danger.<sup>157</sup> Global Witness asked Nassour about this meeting and whether he had been in West Africa in 2002, he responded 'I don't think I went' and said that he would check with his travel agent.<sup>148</sup>

### What was the value of the al Qaeda diamond trading operation in 2000?

Although it is impossible to put a definitive figure on the amount of money made or laundered by al Qaeda there are indications that it was in the range of tens of millions of dollars and possibly much higher. In 2000, the UN Expert Panel on Sierra Leone estimated that the RUF had mined diamonds with a market value of between US\$25 million and US\$75 million, and a World Bank report estimated that diamond exports from Sierra Leone were worth US\$138 million, of which only US\$1.2 million were legal. If the joint trading operation had been buying diamonds from the RUF for ten months (January 2001 – November 2001), four of which were a monopoly, this would have resulted in a significant quantity of diamonds.

Following the September 11 attacks, suspicious transaction reports filed by Artesia Bank on the accounts held by Nassour and

<sup>xx</sup> For a comprehensive overview of illicit arms trafficking in Liberia see Human Rights Watch Briefing Paper 'No Questions Asked: The Eastern European Arms Pipeline to Liberia', November 15, 2001.

<sup>yy</sup> See Global Witness report 'The Usual Suspects' March 2003.

Ossaily, showed signs of money laundering<sup>158</sup>. Belgian investigators have confirmed to Global Witness that Nassour withdrew US\$20 million in cash from an account controlled by ASA Diam from January 2001 to May 2001.<sup>159</sup> Some of the money was transferred to Beirut passing through the Byblos Bank in London.<sup>140</sup> When Global Witness contacted the London branch of Byblos Bank about Nassour's account the branch manager refused to answer any questions unless representatives of the National Criminal Intelligence Service (NCIS) were present. Other investigators with access to ASA Diam bank records state that Nassour's ASA Diam account had over US\$1 billion routed through it in 2001.<sup>160</sup> Global Witness believes that for a mid-level diamond dealer, this is an incredibly large amount of money to be circulating through an account, although it is possible that some money from other businesses owned by the Nassour family could have passed through the account.

### **Reactions to *The Washington Post* exposé Ossaily**

On 14 November 2001, Ossaily held a press conference in Antwerp to protest his innocence of trading with al Qaeda, stating that:

'I was born in Sierra Leone. I have been a legal resident of Belgium since 1991. I acquired Belgian citizenship in 1996. Although I am a diamond dealer, I do not have an Antwerp or Belgian licence. This is because I only buy and sell in black Africa. I have licences for Sierra Leone, Liberia and Tanzania. I also have an expert's certificate for Congo, where I have been selling now for nine years.'<sup>161</sup>

He admits that he was in Liberia from November 2000 until April 2001 working for Nassour but only 'for a couple of days a week, or a couple of days a month, and only for prospecting purposes'. He denied having bought diamonds from RUF rebel forces and smuggling diamonds through Antwerp: 'Wherever I buy or sell I do it legally'.<sup>161</sup> Ossaily admitted that he had met Bah, claiming he had met him through 'an American in Monrovia' and that 'Bah offered me to use his (Greenstones) license but I never took him up on it.'<sup>161</sup> When asked whether Nassour had connections to a terrorist organisation, he replied that he 'could not guarantee' that Nassour did not.

In subsequent interviews with Belgian investigators, Ossaily admitted to working for AMAL while he was in Lebanon between 1988 and 1989. Nassour admitted to Global Witness that he also worked for AMAL.<sup>148</sup>

### **Bah**

Bah denied the allegations in *The Washington Post*. On 9 November 2002, in an interview with the Associated Press, he admitted to working with the RUF but denied any links to al Qaeda: 'I only heard of bin Laden and al Qaeda after the September 11 terrorist attacks in the United States' However, he admitted that RUF members might 'unknowingly' have sold diamonds to buyers linked to Bin Laden.

### **The RUF**

In reaction to *The Washington Post's* allegations on 2 November 2001, the RUF claimed to have launched a four-member 'internal inquiry' chaired by Omrie Golley, the London-based Chairman of the RUF's Political and Peace Council. He admitted in a BBC interview that it was possible that some RUF members may have unwittingly dealt with al Qaeda.<sup>162</sup>



**Omrie Golley**

In an email to the former US ambassador to Sierra Leone, Joseph Melrose, he stated that only Bah would have known that the buyers were from al Qaeda, admitting that RUF commanders never questioned the credentials of the diamond buyers introduced to them by Bah, and were perfectly happy to deal with whoever Bah introduced to them.<sup>163</sup> Golley also admitted that Bah had brought in diamond dealers from Belgium to buy stones under the protection of the Liberian Government<sup>163</sup>. This is confirmed by senior RUF commanders with knowledge of the dealings with Nassour and Ossaily in Sierra Leone whom Global Witness interviewed.<sup>164</sup> Eldred Collins, former head of the RUF's Public Relations Unit also admitted in an interview on Voice of America that the RUF could have unwittingly engaged in diamond transactions with al Qaeda members.<sup>165</sup>

### **The diamond industry: Press releases**

As a whole the diamond industry cannot claim ignorance to a link between al Qaeda and diamonds. The first press reports suggesting a connection came as early as 22 February 2001 when evidence from the 2001 trial of al Qaeda suspects began to emerge.<sup>166</sup> Further press reports came out throughout the year quoting references to the link to al Qaeda and diamonds.<sup>167</sup>

It was not until the front-page exposé of the Sierra Leone al Qaeda diamond operation in *The Washington Post* that the diamond industry reacted. Three days after the articles were published, a joint press release from WDC and Jewellers of America (JA) was released (6 November 2001).<sup>zz</sup> The press release yet again



recognised there was a problem in the diamond industry, and yet again sidestepped the industry's own responsibility for taking action, by urging governments to do something.

'Nations involved in the diamond trade – as producers, processors and importers – must construct an effective monitoring system that protects the legitimate supply chain from the small percentage of illicit stones obtained by criminal elements'<sup>168</sup>.

This statement does show a tacit recognition of the problem, but the industry has not shown the leadership on this issue that consumers might reasonably expect, by following through with concrete measures to tackle the links between terrorism and diamond trading. Instead, various press statements and industry communiqués mentioned the Kimberley Process. The industry has yet to present the governments that are the participants in the Process with any concrete and serious measures to tackle this problem. De Beers made a similar statement, which again focussed on the role of governments in combating terrorism rather than on what action the full range of companies within the sector could and should be taking.<sup>169</sup>

#### **High Diamond Council HRD: Hoge Raad Voor Diamant**

On 2 November 2001 Yuri Steverlynck, an HRD spokesman, in an interview with *Agence France Presse*, sought to shield the HRD and Antwerp's diamond industry from any hint of blame, claiming that the HRD had never heard of Islamic terror organisations being funded via the diamond trade.<sup>170</sup> Steverlynck's statement is nothing short of bizarre, given that Belgian military intelligence issued a report into the diamond trade in Antwerp, which highlighted the link between certain Antwerp based diamond traders and Hizbullah in 2000.<sup>171</sup> The HRD should be given access to these reports. This report was widely leaked to the Belgian media.<sup>172</sup> Steverlynck went on to claim that neither of the two Lebanese traders [Nassour and Ossaily] mentioned in *The Washington Post* articles were registered in Belgium 'either as members of a diamond market or as diamond traders'.<sup>170</sup>

<sup>zz</sup> Furthermore on 8 November, the JA sent out a letter to its members informing them of *The Washington Post* article. Helpfully it provided 'important facts JA members should convey to the media if they are contacted for comment on the situation.' The letter went on to state that the industry had been working with governments and civil society through the Kimberley Process. November 8 2001 'JA Informs Members of the al Qaeda Ties to Conflict Diamonds'.

These statements point to the weakness of the current system, because even though they are not registered, Nassour and Ossaily are well known within the Antwerp diamond sector.

Apparently in December 2001, the HRD did request the Belgian Public Prosecutor to carry out an investigation into the connection between al Qaeda and the Belgian diamond trade. Global Witness is still awaiting clarification on the status and results of the investigation. The European Commission has been strangely silent on the whole matter. In December 2001 the HRD stated in a letter:

'The Story in *The Washington Post* surprises us as a certification scheme has been in place in Sierra Leone since 2000.

Following peace negotiations between the Government and the RUF that started last May, the United Nations deployed a peace force in the Northern diamond fields of Kono. As for Liberia, the UN issued an embargo on diamonds. Since that date no diamonds have been imported from Liberia. In these circumstances we find it very difficult to understand how someone could succeed to increase the RUFs diamond production since June and to commercialise it through Liberia, as the article suggests.<sup>173</sup>

The presentation of the situation in the HRD's statement is misleading on three counts. Firstly, because the HRD and the Belgian Government had already made several complaints to the UN and the Sierra Leonean Government over the ineffectual implementation of Sierra Leone's certification scheme.<sup>174</sup> Secondly, the UN peacekeeping forces deployed in the diamond mining areas of Koidu in May 2001, UNAMSIL, had no mandate to stop diamond mining; in fact, it had the opposite effect in that its deployment gave people an element of protection. According to a senior UN official quoted in *The Washington Post* on 19 August 2001, 'It is not in [UNAMSIL's] mandate, it is up to the [Sierra Leonean] Government to do what it has to do, to do its job. If they didn't mine, what would all the demobilised combatants do, with no jobs and no skills? There is only mining'.<sup>154</sup> Thirdly, the UN embargo on Liberia may have ensured that no diamonds with the provenance of Liberia entered Antwerp, however, as Peter Meeus would have known at the time, all diamond importers had to do was to declare a different country of provenance to customs in order to circumvent the ban, and import diamonds legally into Antwerp. The Kimberley Process, which is now operational, should help to

prevent false declarations of origin from being made and accepted.

The responses from the mainstream industry discussed above underscore again the industry's failure to take concerted action against traders involved in trafficking conflict and illicit diamonds. Instead, they chose to try to deflect the blame for this traffic, and the responsibility for taking action against it, onto national governments. Global Witness believes that, in response to credible reports of al Qaeda's links with the diamond industry, the industry should have put in motion an independent investigation into the allegations. Instead, they engaged in a public relations exercise aimed at denying any real problem existed.

#### **What the Liberian Government had to say**

On 3 November 2001, the Liberian Government issued the following statement:

'The Liberian Government views (*The Washington Post's*) claims as part of an organised smear campaign intended to discredit this administration and bring it to international disrepute. The Liberian Government is not aware of the presence of any operative of al Qaeda in Liberia and reiterates its unequivocal condemnation of terrorism.'<sup>175</sup>

On 23 July 2002, in response to questions from US Congressmen regarding the al Qaeda allegations, Taylor issued an official statement denying the accusations:

'Liberia will never, can never tolerate the presence, knowingly of any connections to al Qaeda operatives in Liberia. We do understand that the al Qaeda people are very sophisticated people and they do have some links, directly we may not know.'<sup>176</sup>

He goes on to assure the US Government:

'One thing we do know that if you call yourself al Qaeda or you resemble, or even you try to smell like al Qaeda, we will catch you here. We don't have the mechanism to try al Qaeda people here because they are maybe too big for us, but if it is against American interest, we will turn them over to the Americans.'<sup>176</sup>

On 12 November 2002, President Taylor banned the wearing of T-shirts of bin Laden in Liberia on pain of imprisonment and being considered a terrorist.<sup>177</sup>

#### **US Government reaction to how diamonds have funded al Qaeda**

Investigations by both European intelligence officials and military intelligence analysts in the United States, who have actively investigated the link between al Qaeda and diamonds, support the evidence presented in this report and the information first published in *The Washington Post*. However, reaction to the story by the United States Government has been confusing. Information pertaining to al Qaeda's revenue streams and means of evading targeted financial sanctions should arouse considerable interest with the United States Government. The reaction seems in part symptomatic of the major structural problems relating to the sharing of information and regional analysis among the various bodies forming the US intelligence community. For instance, whereas the DIA found the al Qaeda reports credible enough to send a special forces team to Guinea, the CIA took over two months from the date of publication in November 2001 to confirm the existence of the safe house in Monrovia.<sup>129</sup>

On 13 February 2002, the US Senate Governmental Affairs Subcommittee on Oversight of Government Management held a hearing on the 'US Government's role in fighting the conflict diamond trade.' Responding to the RUF's admission that they may inadvertently have sold diamonds to al Qaeda, Joseph Melrose, the former US Ambassador to Sierra Leone, stated:

'In my opinion [the RUF's] admission indicates that such sales took place between rebels and al Qaeda, although they may or may not have had the formal backing of the organisation. What is still in question is whether it was a deliberate effort on the part of some or all of the RUF to assist al Qaeda to move resources in a manner that would be untraceable to support the actions of al Qaeda or simply a case of selling the illicit stones to whoever offers the best price. Whichever the case, it makes little difference since the net effect is the same, terrorist organisations have benefited from this situation.'<sup>69</sup>

Alan Eastham, the former Special Negotiator For Conflict Diamonds at the Bureau of Economic and Business Affairs of the State Department also gave evidence to the Subcommittee. However, in his testimony, Eastham refuted the claims of links between the diamond trade and al Qaeda:

'In contrast to the popular image, experts in the diamond business tell me it is hard

to make a lot of money trading diamonds. The business is very capital-intensive, a business where it takes a great deal of money to make a lot of money because the margins at each step in the trade are ordinarily fairly small. Second, it is expertise-intensive, a business in which you have to know what you are doing in order to profit from those small margins. Third, it is a hard business to enter, because it is a relatively small and somewhat insular industry based on personal relations and a high degree of trust among traders. Most of the traders at particular stages of the trade and in particular segments of the business all know one another, by reputation if not personally. These characteristics of the trade argue against the possibility that a terrorist group could enter the industry, or if they did through front organisations or companies, that they could make a great deal of profit trading diamonds. Shady or unusual practices soon become generally known in the legitimate diamond trade. However, there is another risk: that diamonds are being used to hoard 'wealth' and avoid legitimate banking circles by terrorists. The possible use of diamonds by terrorists falls within this category, along with other forms of criminal activity including drug smuggling, theft, fraud, and tax avoidance.<sup>178</sup>

Unfortunately, it appears that Eastham's sources of information about the industry have painted him a picture designed to protect it from any closer scrutiny rather than a strictly accurate one. In fact, this account of the reasons why al Qaeda could not have infiltrated the diamond industry is factually wrong. Firstly, because the profit margins between the different trading stages are extremely large, especially in Africa. A trader buying rough diamonds in Angola for US\$250 a carat could sell the same stones for three times that amount in Antwerp, if they were in a suitable assortment. Secondly, the claim that the industry is 'expertise-intensive' is not true. A novice attending a two to three week diamond course would have sufficient training to value diamonds to market prices.

Eastman's point about the insular and close-knit nature of the diamond industry is accurate, however, what it suggests is that the legitimate traders in the industry must know the identities of the conflict diamond traders. Nassour, for example, is a well-known figure in the industry.<sup>179</sup> The fact that, given this, the industry has failed to denounce publicly a single member of their trade who has dealt in conflict diamonds is a

damning indictment of their professed commitment to increase transparency and accountability. Until the perception – and reality – of the industry as inherently secretive and underhand changes, it will continue to be targeted by groups involved in criminal or even terrorist activities, such as al Qaeda.

On 8 April 2002 the CIA responded in writing to a series of questions that had been asked at an earlier 'Worldwide Threat Hearing', held by the Select Committee on Intelligence in Washington DC on 6 February 2002. One question, No. 14 asked:

'The mining and sales of diamonds by parties to armed conflicts – particularly Angola, Sierra Leone, and the Democratic Republic of the Congo – are regarded as a significant factor fuelling such hostilities. These diamonds, known as 'conflict diamonds,' comprise an estimated 3.7 percent to 15 percent of the value of the global diamond trade. Do you have any information that conflict diamonds are being used to subsidise the activities of terrorist groups, including al-Qa'ida?'

The CIA's written reply was:

'We are aware of the press reports alleging Al-Qa'ida ties to the African diamond trade – the most notable being *The Washington Post* article "al Qaeda Cash Tied to Diamond Trade" from November 2001. We are vigorously attempting to verify these reports; most of our information to date does not support the allegations.

We are also exploring charges that some ethnic Lebanese elements in Africa with long standing involvement in the diamond trade are providing support to Hizbullah.<sup>180</sup>

This reply is contradictory to the facts, particularly the evidence entered in US courts on the linkage between diamond trading activities and senior al Qaeda operatives.

In January 2003, Global Witness began receiving reports that members of the US National Security Council (NSC) were actively briefing Congressional Members and Committees that there is no link to diamonds and al Qaeda. However there is ample evidence that terrorist, rebel and criminal organisations such as the RUF in Sierra Leone, UNITA in Angola, various armed factions in the DRC, organised crime networks from the Former Soviet Union (FSU), South American drug

cartels, global Mafia members, and convicted arms smugglers are all using rough diamonds as a form of international currency for transferring assets and raising funds. The question appears more to be: why would al Qaeda not be using rough diamonds to fund its operations? As the Interpol representative on the UN Expert Panel on Liberian sanctions, Harjit Singh Sandhu, stated in reference to al Qaeda during an open meeting of the Security Council in November 2001:

‘Wherever diamonds are, be it Angola, be it in Sierra Leone or any place, definitely they will try to use that channel. That is common sense.’<sup>181</sup>

If the CIA, FBI, DIA and NSC have information confirming or denying that al Qaeda have involvement in the diamond trade, they should make this information available. However, if, in fact, they simply do not have sufficient evidence either to confirm or refute the allegations, then it is their duty to investigate further until they do. Conventional electronic intelligence-gathering techniques employed by the CIA and NSA will not uncover evidence of the conflict and illicit diamond trade, only human intelligence (HUMINT) can do so. However, CIA attempts to verify the claims made by *The Washington Post* do not inspire confidence in their ability to monitor and investigate the diamond trade appropriately.

### Conclusion

The success of al Qaeda’s diamond operations in Kenya, Tanzania, Liberia and Sierra Leone as explored in Part Three of this report underlines the urgent need to strengthen the Kimberley Process. Government participants and industry must now recognise and accept the need for an effective monitoring mechanism as an integral part of the Kimberley Process. The current measures in the Kimberley Process do represent a step in the right direction in stemming the trade in conflict diamonds, but are utterly inadequate in preventing terrorist networks such as al Qaeda from operating within the legitimate trade.

## Part Four: The Global Response to September 11

### Pre-September 11 anti-terrorist efforts

*This section will briefly summarise the response of the international community to the al Qaeda attacks on the United States in 2001.*<sup>182</sup>

In response to the growing threat posed by terrorism, the UN developed and adopted a total of 12 conventions and protocols on terrorism, including one on combating the financing of terrorist activities.<sup>182</sup> The International Convention for the Suppression of the Financing of Terrorism requires countries to take measures to stop the financing of terrorism, makes it an offence if funds are provided or collected to be used to commit offenses as defined within any of the other UN treaties to suppress terrorism or:

‘any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in the hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organisation to do or to abstain from doing any act’.<sup>183</sup>

In December 1994, the United Nations General Assembly (UNGA) passed a resolution outlining the following four concrete steps to fostering international cooperation in combating international terrorism:

- Collecting data on existing multilateral, regional and bilateral agreements;
- Developing a compendium of national laws and regulations to prevent terrorism;
- Carrying out an analytical review of international legal instruments that exist on international terrorism;
- Reviewing possible ways the UN could assist countries in organising workshops and other activities to combat terrorism.

The UNGA also created the Terrorism Prevention Branch (TPB) in 1999 to conduct research on terrorism trends, promote international cooperation and assist in improving their abilities to investigate terrorism in order to prevent future terrorist acts<sup>184</sup>.



### The UN response post-September 11

In the wake of the terrorist attacks of September 11, on 28 September 2001 the UNSC adopted Resolution 1373. This 'unequivocally' condemned the acts of September 11 and outlined specific measures that states should take to prevent such acts from occurring in the future, building on previous conventions related to combating terrorism<sup>185</sup>. However, resolution 1373 has a broader mandate since it was issued under Chapter Seven of the UN Charter, which automatically makes it internationally legally binding.<sup>186</sup>

The resolution called for nations to work together in preventing future terrorist attacks, prohibits states from giving any form of support to terrorists, and makes carrying out terrorist acts a criminal offence in national laws and regulations. However, significantly, it also calls on states not only to refuse to assist or participate in terrorist acts but also to prevent 'the financing of acts of terrorism'. It outlines several measures that countries must take to stop the financing of terrorism including making it a criminal offence to provide or collect funds to be used for carrying out terrorist acts; freezing funds and other financial assets of individuals who have committed or tried to commit terrorist acts (as well as entities that are owned and controlled by such people); and prohibiting any person or entity within a country from assisting terrorists by providing financial assets, funds, economic resources or related services.<sup>185</sup>

Resolution 1373 also aims to promote information sharing about the activities of terrorists or terrorist networks, and to encourage governments to become parties to existing international conventions and protocols that aim to combat terrorists, including the International Convention for the Suppression of the Financing of Terrorism. Money laundering is identified (along with transnational organised crime, illicit drugs, illegal arms-trafficking, illegal movement of nuclear, chemical, biological and other 'potentially deadly materials') as being closely connected with international terrorism. The UN thus recognised the need for increased coordination on the national, subregional, regional and international levels to respond to these threats.<sup>185</sup>

The resolution also established a Counter-Terrorism Committee, comprised of all members of the Security Council, which was charged with implementing the resolution. Since its creation, the committee has served several purposes. Its work has previously focused on promoting an international consensus on how to combat terrorism, and

working for the effective international implementation of the 12 anti-terrorism conventions.<sup>187</sup> Furthermore, the committee has monitored and provided assistance to countries to establish regulations to implement all aspects of the resolution so as to combat terrorism and prevent terrorist financing. As of 15 April 2002, the Counter-Terrorism Committee claimed it had received reports from 143 states regarding compliance with resolution 1373, had reviewed, and given feedback to 62, and was in the process of reviewing the remainder of the reports. Fifty states were reported as not yet having submitted a report, and the committee was following up on these countries. Furthermore, the committee reported that it would be evaluating the legislative/regulatory actions taken by all governments to combat terrorism and would continue dialogue with them to ensure action on all measures covered by resolution 1373.<sup>188</sup>

In October 2001, UN Secretary-General Kofi Annan also created the Policy Working Group on the United Nations and Terrorism with the mission of developing recommendations for steps the UN can take to combat terrorism. This group has brought together relevant expertise from the key UN agencies, programmes and departments as well as independent expertise. The group's [first] report was issued on 10 September 2002 and outlined a 'three-pronged strategy' for addressing terrorism, which Kofi Annan has endorsed.<sup>189</sup> The basic principles underpinning the strategy are that terrorism should be seen as 'an assault on basic rights' and that in all cases the fight against terrorism must be 'respectful of international human rights obligations'.<sup>189</sup>

The main aims of the strategy are as follows. Firstly, to 'dissuade' potential terrorists from committing terrorist acts by establishing effective norms, implementing relevant legal instruments and carrying out communications efforts in order to build an international consensus around the fight against terrorism. Secondly, to 'deny groups or individuals the means to carry out acts of terrorism'.<sup>189</sup> The main ways envisaged of achieving this are by providing support to the Counter-Terrorism Committee's efforts to monitor whether countries are complying with Security Council Resolution 1373, and by using appropriate legal instruments to tackle the transnational crime, drugs trafficking and money laundering which provide terrorists with revenue.<sup>190</sup> Thirdly, to promote 'broad-based international cooperation' to combat terrorism that involves subregional, regional and global organisations.

### **Specific measures taken by the UN against bin Laden, al Qaeda and the Taliban**

Anti-terrorism efforts have targeted bin Laden, al Qaeda and the Taliban, both prior to and following the September 11 attacks. Security Council Resolution 1267, which was passed on 15 October 1999, strongly condemned Afghanistan, and especially those areas controlled by the Taliban, for sheltering and training terrorists and for planning terrorist acts. The resolution called on the Taliban to comply with previous UN resolutions by no longer providing safe haven and training for bin Laden and other international terrorists and also called on the Taliban to surrender bin Laden.

The resolution also called for freezing of funds and other financial assets directly or indirectly controlled or owned by the Taliban and established the creation of a Security Council committee to focus on implementation of these measures.<sup>191</sup> Resolution 1333, adopted on 19 December 2000, demanded that the Taliban close all terrorist training camps and implemented an arms embargo aimed at preventing 'the direct or indirect supply, sale and transfer of the territory of Afghanistan under Taliban control'. This resolution also requested that a committee of experts be formed to recommend to the Security Council how to monitor implementation of these measures.<sup>192</sup>

Resolution 1363, passed on 30 July 2001, requested that the Secretary General create a mechanism to monitor implementation of the measures against the Taliban and al Qaeda, and called for assistance to states, in particular those bordering Afghanistan, to help them to implement the various measures against the Taliban and al Qaeda adopted by the UN.<sup>193</sup> This led to the establishment of a UN monitoring group composed of five experts, and a Sanctions Enforcement Support Team, comprising 15 members, to ensure that the sanctions against the Taliban and al Qaeda are enforced. The Monitoring Group's mission was to monitor implementation of the Security Council measures against bin Laden, al Qaeda and the Taliban, and those individuals and entities associated with them, and make recommendations regarding implementation.

However, global financial sanctions only came into force on 16 January 2002, with the adoption of resolution 1390 (2002), imposing financial and economic sanctions, a travel ban and an arms embargo on bin Laden, members of al Qaeda, the Taliban and their associates and associated entities. In their first report to the Secretary General, the Monitoring Group noted that:

'al-Qa'idah [sic] and its associates appear to have diversified the movement and security of their finances by acquiring commodities such as gold and diamonds, and by using alternative remittance systems in addition to the formal banking system'.<sup>194</sup>

In Section IV of the report, which deals with the freezing of financial assets, the panel notes that:

'as a result of the freezing of assets that has been and continues to be carried out globally, there are allegations that al-Qa'idah, for now at least, may be diversifying financial aspects of its assets into gold, diamonds and other precious stones, for example lapis lazuli and sapphires'.<sup>195</sup>

They go on to state that:

'to date the Group has not been able to substantiate these allegations, but has commenced detailed investigations into these alternative methods of financing'.<sup>195</sup>

In relation to the trade in rough diamonds being used a possible source of terrorist revenue and asset transfer, the report 'welcomes' the progress being made with the Kimberley Process<sup>196</sup>. However, the Monitoring Group echoes the reservations expressed by the [date] US General Accounting Office (GAO) report into the Kimberley Process:

'The Group would suggest, however, that participating States strive for greater accountability and transparency as suggested in the report by the United States General Accounting Office'.<sup>197/198</sup>

In addition, reporting on a visit to Belgium, and on meetings with the High Diamond Council (HRD) and Belgian Government officials, the Monitoring Group expressed its concern that

'even with effective controls and their conscientious operation, the diamond trade might be abused to provide a vehicle for money-laundering and moving financial assets around the world by al-Qa'idah and its associates'.

Four months later, the Monitoring Group released their second report. It stated that:

'despite initial successes in locating and freezing some US\$112 million in assets

belonging to al-Qa'idah and its associates, al-Qa'idah continues to have access to considerable resources' and that, 'moreover since the adoption of resolution 1390 (2002) only about US\$10 million in additional assets has been frozen'.

It goes on to note that the consequence of tighter controls over traditional financing channels has been al Qaeda's new strategy of both relocating its financial operations and diversifying its revenue streams and channels of money laundering:

'A large number of States in Europe, north America and elsewhere have taken steps to tighten banking regulations and to better locate, trace and block financial transactions. These regulations impose new requirements on banks to 'know their customers' and to review and report on all suspicious transactions. This has led al-Qa'idah to transfer much of its financial activities to Africa, the Middle East and Asia. Also, the terrorist organisation is turning increasingly to alternative banking mechanisms, including the use of informal remittance systems, such as *hawala*.'

In their third report to the Secretary General of 16 December 2002, the Monitoring Group again underlined this point:

'The global effort to combat the financing of terrorism continues to face many challenges, stemming from the complexities of international financial transactions and the uneven application of regulatory and control measures. Many countries are imposing strict new anti-terrorism financing regulations on their domestic banking, as well as on correspondent banking and "offshore financial centres". But serious problems remain, and al-Qa'idah is still able to receive money [...] Al-Qa'idah has also adjusted its tactics to rely more heavily on local sources of funding.'<sup>199</sup>

### **African responses to terrorism**

Many countries in Africa are suffering from different forms of terrorism. The existence of al Qaeda in Africa mirrored the rest of the world. Africa has been a major target for al Qaeda activity over the past decade. The African Union (AU), which has a membership of 53 states, condemned the terrorist attacks of September 11 and called for international action against terrorism to be carried out through the UN.

The AU also established the Convention on the Prevention and Combating of Terrorism as its main mechanism for fighting terrorism.<sup>200</sup> The convention prohibits countries from 'organising, supporting, financing, committing or inciting to commit terrorist acts' or providing 'safe havens and visas to terrorists'.<sup>201</sup> The Convention requires that countries implement measures to prevent terrorist acts and the establishment of terrorist networks through national legislation and cooperation with other member states in combating terrorism through information-exchange and other joint activities.<sup>202</sup> At a special anti-terrorism conference held in Algiers in September 2002, the AU announced that more than 15 states (the number needed to ratify the Convention before it goes into force) have ratified the Convention and thus the Convention has come into effect. Those countries that have now ratified the Convention are: Algeria, Angola, Cape Verde, Egypt, Eritrea, Ghana, Kenya, Lesotho, Libya, Mali, Rwanda, Sahrawi Arab Democratic Republic (SADR), Senegal, South Africa, Sudan and Tunisia.

### **The European Union response to terrorism**

Following the September 11 attacks, the EU stepped up its efforts to fight terrorism and committed to working closely with the United States in building an international anti-terrorism coalition. The EU adopted a Plan of Action to fight terrorism that was focused not only on ensuring the protection of its citizens but also more broadly on addressing the root causes of terrorism. On 31 May 2002, the European Council issued a new regulation that placed restrictive measures on bin Laden, al Qaeda and the Taliban. As part of efforts to implement UN resolution 1373, the assets of terrorists or their associates in the EU have been frozen, a special anti-terrorism unit called Europol has been established and a common definition of terrorism as well as a list of terrorist organisations developed.<sup>203</sup>

In addition, the EU has concentrated its efforts on building an international coalition against terrorism through diplomatic efforts with developing countries and regions, especially with Afghanistan, Pakistan, Iran, the Middle East and the Euro-Mediterranean Partnership. The Euro-Mediterranean partnership promotes cooperation between the EU and countries such as Algeria and Lebanon on a wide range of issues, including efforts to fight money laundering, drugs trafficking and terrorism. The EU has an ongoing process to examine how to provide technical aid and assistance to help countries implement Resolution 1373.<sup>204</sup>

The European Commission has also issued a new European Directive on money laundering, which should provide a common framework for including the trade in high commodity items such as diamonds and gold within existing anti-money laundering systems; the Directive should be implemented by 15 June 2003.<sup>205</sup>

### **The United States' response to terrorism**

Combating terrorism has become a major focus for United States policy makers post September 11, and a significant element of US efforts to combat terrorism is through the disruption of terrorist financing and asset laundering networks, as is discussed in more detail below. Another bulwark of US anti-terrorism efforts has been strengthening the federal government's powers to track down terrorists and prevent future terrorist attacks. Immediately following the September 11 attacks, the United States Congress took action to combat terrorism by passing the United States Patriot Act,<sup>aaa</sup> which was signed into law by President Bush on 26 October 2001. The Patriot Act gives federal officials increased authority to 'track and intercept communications' for the purposes of law enforcement and foreign intelligence gathering. It also has provisions to prevent foreign terrorists from coming into the United States, especially from Canada and allows authorities to detain and deport foreign terrorists and those that provide support to them.

### **Combating terrorist financing**

United States efforts to tackle the funding of terrorist groups involve a wide range of government agencies, including the Department of the Treasury and the National Security Council. The Department of Treasury has taken the lead role in coordinating efforts to tackle terrorist financing, including tracing financial trails. The Treasury has formed Operation Green Quest, an interagency task force comprised of the US Customs Service, the Secret Service, IRS Criminal Investigations Division, the Department of Justice, the FBI and other agencies. This task force is charged with investigating the financing of terrorism.<sup>206</sup>

Immediately following the September 11 attacks, the United States government identified known terrorists and terrorist entities, froze their assets in the US and collaborated with other countries to apply those freezes globally.<sup>206</sup> In the immediate aftermath of September 11, the United States has sought to build an international anti-terrorist coalition, including

regional political entities such as the EU and the AU. Over 160 countries have put blocking orders in force on hundreds of bank accounts worth more than US\$70 million.<sup>206</sup>

The United States Treasury Department believes that these actions are making it increasingly difficult for terrorists to use the mainstream banking and financial sector to finance their activities. However, as a result of this crackdown, US policymakers believe that there is a real danger that terrorists will look more and more at financing their activities by smuggling bulk cash or other instruments. However, smuggling is both costly and difficult and, as the next section examines in more detail, the Patriot Act should also make money laundering more easily identifiable and seizures of terrorist assets more likely.<sup>206</sup>

### **The Patriot Act and Terrorist Financing**

The Patriot Act contains provisions aimed at identifying and blocking terrorist revenue streams. Part III of the Patriot Act is known as the International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001. Under the Act, the federal government's authority is strengthened in three key areas to combat money laundering and corruption: regulations, criminal sanctions and forfeiture.<sup>207</sup> On the regulatory side, the Act gives the treasury secretary increased powers to regulate US financial institutions, especially their relationships with individuals and entities. The measures include requirements that securities brokers and dealers, commodity merchants, pool operators and businesses file suspicious activity reports (SARs). The Act also imposes additional 'special measure' and 'due diligence' requirements, creation of customer identification standards and record-keeping, and increased exchange of information among financial institutions and law enforcement agencies. In addition, financial institutions are required under the Act to create their own anti-money laundering programs staffed with at least one compliance officer, and to establish policies, procedures and controls, including an independent audit component and other measures.<sup>207</sup>

The Patriot Act also strengthened existing criminal sanctions and introduced new forms of sanction. It increases the penalties for terrorist acts and for crimes that terrorists might perpetrate and also contains new sanctions against money laundering. For example, laundering in the United States of any proceeds from foreign crimes of violence or political corruption is outlawed. Other measures include increasing the penalties for counterfeiting and making it illegal to launder proceeds from

<sup>aaa</sup> Non-governmental organisations have expressed concerns that the Patriot Act has implications for civil liberties.



cybercrime or to provide support to a terrorist organisation. The Act also gives the federal government the authority to prosecute fraud that involves American credit cards and 'endeavours to permit prosecution of money laundering in the place where the predicate offense occurs'.<sup>208</sup>

Thirdly, the Act establishes two new types of forfeitures and changes several procedures related to confiscation. It enables all of the property of any individual or entity that is involved in or plans domestic or international terrorist acts to be confiscated, as well as any property 'derived from or used to facilitate domestic or international terrorism'.<sup>208</sup> In terms of forfeit-related procedures, the Act established the mechanism 'to acquire long arm jurisdiction, for purposes of forfeiture proceedings, over individuals and entities' and it allows confiscation of property located in the United States 'for a wider range of crimes committed in violation of foreign law'.<sup>208</sup> It also allows US enforcement of foreign forfeiture orders, calls for the seizure of 'correspondent accounts held in US financial institutions for foreign banks who are in turn holding forfeitable assets overseas', and 'denies corporate entities the right to contest a confiscation if their principal shareholder is a fugitive'.<sup>208</sup>

### **The Patriot Act and the diamond trade**

Because of the Patriot Act, the United States government is able to develop and enforce regulations to implement the Kimberley Process certification scheme for rough diamonds without having to have new legislation passed in Congress.<sup>209/bbb</sup> The Patriot Act requires financial institutions to implement anti-money laundering programs to prevent funds from being used illegally to finance criminal enterprises and the Act's definition of financial institutions includes dealers 'in precious metals, stones and jewels'.<sup>210</sup> Under Section 352 of the Act, businesses are required 'to assess their relative risk for exposure to exploitation, and then to implement institutionalised programs to address those risks, including identifying business partners when appropriate'. Thus, dealers in precious stones and metals are required to develop internal policies and procedures to prevent money laundering, assign officers to oversee compliance, implement employee training programmes and develop an independent audit function to evaluate the policies and procedures. The diamond industry has developed its own proposals for implementing Section 352 of the Act.<sup>211</sup>

The US Department of Treasury, which is responsible for implementing Section 352, has not yet issued final rules requiring that the

jewellery industry establish anti-money laundering programs. The Treasury Department has developed a preliminary code of Federal regulations that has been distributed to the jewellery industry for comment and it is expected that the final rules will be finalised and published over the next few months. The jewellery industry will be required to comply with the rules within 90 days after they are published.<sup>212</sup>

### **The Terrorism Financial Review Group**

The FBI has also played a role in the war against terrorism and in efforts to cut off terrorism financing. Following the September 11 attacks, the FBI were forced to recognise the need for a more coordinated, holistic strategy for tackling the financing of terrorism. This has led to the creation of the Terrorism Financial Review Group (TFRG), an interagency group focused on dismantling terrorist financing networks. The TFRG has two main missions. Firstly, to carry out a financial analysis of the 19 hijackers, including information on their financial support structure. Secondly, to carry out financial investigations that will predict and prevent terrorist attacks. According to FBI Director Robert Mueller, since its inception, the TFRG's mission has expanded to involve 'a broader effort to identify, investigate, prosecute, disrupt and dismantle all terrorist-related financial and fundraising activities'.<sup>213</sup>

Significantly, during FBI Director Mueller's recent testimony before the US House of Representatives Committee on Financial Services (19 September, 2002), he recommended that 'the criminal forfeiture laws should be amended to treat all electronic funds, as well as diamonds, gold and other precious metals, as fungible<sup>ccc</sup> property for the period of the applicable statute of limitations'.<sup>213</sup>

### **Council on Foreign Relations Report on Terrorist Financing**

The Council on Foreign Relations created an Independent Task Force on Terrorist Financing charged with assessing the effectiveness of US efforts to combat terrorism. This Task Force is comprised of leading experts on terrorist financing, foreign policy, law enforcement, intelligence gathering and finance. On 25 November 2002, the CFR published 'Terrorist Financing, Report of an Independent Task Force Sponsored by the Council on Foreign Relations.'

<sup>bbb</sup> Unfortunately this opportunity to move swiftly was not taken up by the US government; instead legislation is still under negotiation as of March 2003. This was a significant factor in the delay of the full implementation of the Kimberley Process.

<sup>ccc</sup> Fungible means goods or commodities that are freely interchangeable, exchangeable or substitutable.

The report found that:

‘al Qaeda’s global fund-raising network is built upon a foundation of charities, non-governmental organisations, mosques, websites, intermediaries, facilitators, and banks and other financial institutions’.<sup>214</sup>

According to the report, al Qaeda is using several channels to move its funds around; the global financial system; the Islamic banking system; the hawala system, as well as other money transfer mechanisms, using as a cover a network of businesses and charities around the world. The Task Force also concludes that al Qaeda employs:

‘such time-honored methods as bulk cash smuggling and the global trade in gold and other commodities to move and store value’.<sup>215</sup>

According to the report, despite US action to combat terrorism post September 11:

‘The Task Force determined that after an initially robust attempt to curtail financing for international terrorism, the Bush administration’s current efforts are ‘strategically inadequate’ to assure the sustained results we need to protect U.S. security’.<sup>216</sup>

The Task Force therefore recommended that the President appoint a special presidential assistant to lead the effort to combat terrorist financing. The report’s other major recommendation was that the US should spearhead efforts to create an international organisation that would solely focus on investigating terrorist financing.<sup>217</sup>

### **The G-7 response to terrorism**

In October 2001, the G-7 Finance Ministers put forward an Action Plan to Combat the Financing of Terrorism, which outlines immediate actions that should be taken to cut off terrorist revenues and to prevent the international financial system from being exploited for terrorism financing.<sup>218</sup> The Action Plan calls for freezing of the assets of terrorists, in accordance with the relevant provisions of the UNSC Resolutions and the International Convention for the Suppression of the Financing of Terrorism. All the G-7 countries have signed the International Convention for the Suppression of Terrorism and submitted reports to the UN Counter-Terrorism Committee on actions they have taken to implement Resolution 1373.<sup>218</sup>

The G-7 is also advocating the development of international standards to combat terrorist financing, principally by calling for the strict application of those UN instruments aimed at curbing terrorism, and by requesting the international FATF to establish special recommendations targeting terrorist financing (the activities of the FATF are examined in more detail below). They have also urged international financial institutions such as the World Bank, the International Monetary Fund (IMF) and the Co-Operation Council for the Arab States of the Gulf (GCC).<sup>ddd</sup> The Asia Pacific Group on Money Laundering (APG), created in 1997 and comprised of 21 members, is also working to combat money laundering. APG’s purpose “is to facilitate the adoption, implementation and enforcement of internationally accepted anti-money laundering standards as set out in the 40 Recommendations of the Financial Action Task Force.” Activities include promoting the development and enforcement of legislation, undergoing mutual evaluation on anti-money laundering efforts and carrying out information exchange to promote law enforcement.

These regional bodies are being asked to collaborate with the FATF in developing an effective approach for evaluating compliance with standards against money laundering and terrorist financing. The FATF has developed eight recommendations on terrorist financing, and the G-7 is encouraging all countries to undergo a self-assessment to ensure compliance with the FATF’s recommendations.<sup>219</sup> It is also supporting the FATF’s efforts to identify those countries that have failed to implement appropriate measures for combating terrorist financing.<sup>218</sup>

G-7 is supporting initiatives by the IMF and World Bank to support countries in their efforts to implement anti-money laundering and anti-terrorist financing measures, and G-7 countries will give technical assistance bilaterally to help countries that are committed to taking action to combat terrorism. The IMF will evaluate anti-terrorist financing measures, as part of their Financial Sector Assessment Programs (FSAPs) and their assessments of the legal, regulatory and supervisory systems of offshore financial centres. The IMF and World Bank are also considering ways of assessing whether countries are meeting the FATF 40 recommendations and eight special recommendations as part of overall list of standards to be examined.<sup>218</sup>

<sup>ddd</sup> The GCC is a member of the FATF. Member states of the GCC include Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

## The FATF

The FATF on money laundering is an international organisation set up under the auspices of the Organisation for Economic Cooperation and Development (OECD). It was created by the G-7 Summit in Paris in 1989 to promote a coordinated international strategy for combating money laundering.<sup>220</sup> FATF has adopted 40 recommendations that outline a comprehensive approach towards tackling money laundering, and which involve the criminal justice system and law enforcement, regulation of the financial system and international cooperation. When combined with the FATF's Special Recommendations on Terrorist Financing (see below), these recommendations are intended to 'set out the basic framework to detect, prevent and suppress the financing of terrorism and terrorist acts'.<sup>219</sup> FATF member countries as well as non-member countries have used these recommendations as a basis for establishing anti-money laundering programmes.<sup>220</sup>

Since September 11, FATF has broadened its focus to tackle the financing of terrorism, drawing upon its previous efforts on money laundering. It adopted eight Special Recommendations on Terrorist Financing at a special plenary meeting that was held in Washington DC on 30 October 2001.<sup>221</sup> The recommendations have now become internationally recognised, as constituting the standard practice countries should adopt to prevent their financial systems from being exploited by terrorists, and not only FATF member countries but also many non-FATF countries have committed to implementing them. In fact, over 80 non-FATF countries have provided reports to FATF evaluating their compliance with the recommendations.

The special recommendations call on states to do the following:

- Immediately ratify and implement the 1999 UN International Convention for the Suppression of the Financing of Terrorism as well as implement the Security Council Resolution 1373 and other resolutions dealing with the prevention and suppression of terrorism financing;
- Make terrorism financing, terrorist acts and terrorist organisations a crime and ensure that these offenses are categorized as 'money laundering predicate offenses';
- Carry out measures to freeze funds or other assets of terrorists, and those who finance terrorism and terrorist organisations, and adopt measures that will give authorities the powers 'to seize and

confiscate property that is the proceeds of, or used in, or intended or allocated for use in, the financing of terrorism, terrorist acts or terrorist organisations';

- Ensure that financial institutions, businesses or other organisations that are required to take anti-money laundering actions, report in a timely manner to the competent authorities any funds that they 'suspect or have reasonable grounds to suspect [...] are linked or related to, or are to be used for terrorism, terrorist acts or by terrorist organisations';
- Work cooperatively with other states in combating terrorist financing by promoting information exchange and providing assistance to other countries related to criminal, civil enforcement and administrative investigations, inquiries and proceedings that involve terrorism financing, terrorist activities and terrorist organisations;
- Ensure that they are not providing safe havens for individuals who are charged with terrorism financing, terrorist acts or terrorist organisations and that procedures are developed to extradite such people wherever it is possible;
- License or register those individuals or legal entities that provide transmission of money or value services in a manner that is consistent with the FATF recommendations that apply to banks and non-bank financial institutions, and ensure that those who illegally carry out these types of services face administrative, civil or criminal sanctions;
- Require money remitters and other financial institutions to provide 'accurate and meaningful originator information', which includes name address and account number on funds transfers and other related messages, and to provide this information throughout the payment chain. Financial institutions should also closely scrutinise and monitor for any fund transfers that are deemed to be suspicious or fail to have complete originator information;
- Take action to prevent entities, especially non-governmental organisations, from being used for financing terrorism.<sup>219</sup>

At the June 2002 Plenary Meeting of FATF, the first self-assessment on the Special Recommendations was conducted to evaluate how effectively FATF members were implementing the recommendations. Overall, the assessment demonstrated that the FATF

members had made significant headway in implementing the recommendations. As of June 2002, almost all of the FATF members were fully or partially complying with almost all of the recommendations and progress is continuing to be made to put in place the needed anti-terrorist financing measures.<sup>221</sup>

### **The FATF and diamonds**

On 14 February 2003, the FATF's 2002-03 report on money laundering and terrorist financing found that the gold and diamond sectors showed:

'Considerable vulnerability to being exploited for money laundering and [...] for terrorist financing' because of their high value, portability and the ease with which they can be traded worldwide.<sup>222</sup>

The report highlighted the need for 'security in all phases of the diamond industry' and cited in particular the 'breakdown of central controls in some diamond producing areas of western Africa' as a major reason for the 'leakage' of diamonds from the legitimate trade to the illicit market, estimated by one expert in one region at as high as between 5-10 % of annual production.<sup>223</sup>

The report claimed that several FATF members had concrete examples of 'the criminal use of the diamond trade for money laundering', of which it outlined several different typologies, ranging from the simplest typology of 'direct purchases of the diamonds with criminal proceeds' to more complex types of laundering involving using diamond trading as 'a smokescreen for the laundering of proceeds generated by other criminal activity, especially

illegal narcotics trafficking and various types of fraud'.<sup>223</sup>

Moreover, several FATF members found indications of links between terrorist financing routes and illicit diamond trading, including 'an alleged attempt to purchase 2kg of precious stones with funds originating from the al Qaeda terrorist group and through a former minister of the Taliban regime in Afghanistan'.<sup>224</sup> One of the anonymous examples of diamond trafficking from Africa cited in the report appears to be the case of Aziz Nassour and his dealings with the RUF and al Qaeda, as detailed in Part Three of this report.<sup>224</sup> Significantly, while the report says that it is not possible to ascertain the degree to which terrorists are using the diamond trade, it also stresses that, as the same typologies are used for both terrorist and non-terrorist money laundering:

'It can be assumed that terrorist groups may be exploiting the same channels for moving funds or obscuring the links to their activities as those used by non-terrorist groups'.<sup>222</sup>

Finally, in terms of the international response to the illegal trafficking of high-value commodities such as diamonds, the FATF admitted that the current measures to combat money laundering do not appear to be being enforced by all members to the same degree, and that:

'at least one delegation admitted that the diamond and gold trade were not well known or understood in his jurisdiction and called for additional attention to be paid to this area'.<sup>222</sup>



## Conclusion

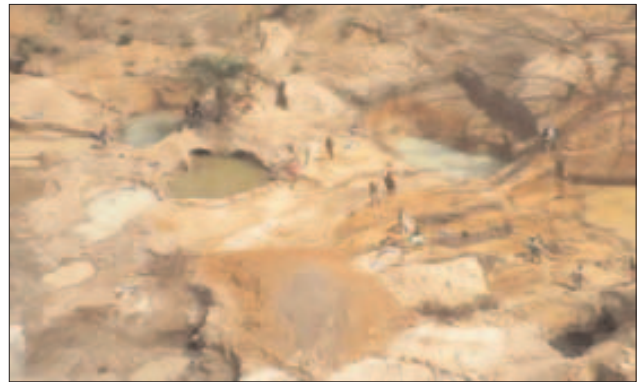
Any understanding on the part of international and national authorities of how terrorist organisations operate and thus any effective international or national action to combat terrorist acts requires an understanding of the sources and methods of financing used by terrorists. Currently, the institutional understanding of how terrorist networks have used, and continue to use, diamonds and other high value commodity items to fund their operations appears worryingly weak. As this report has demonstrated, al Qaeda has already shown its willingness and ability to take advantage of weak states, corrupt institutions, existing criminal networks as well as the lack of transparency and the insularity of the trade in precious commodities, particularly diamonds, to fund its terrorist operations.

The Kimberley Process regime of import/export controls on rough diamonds is to be welcomed because it has already resulted in significant changes in practice within the highly secretive diamond industry. Some of the government participants have shown a serious commitment to the KPCS. However, to date, both the industry and governments have consistently failed to address the issue of diamonds being used as a source of terrorist revenue and asset transfer. What is most alarming, is that for the past few years ample evidence has emerged of the substantial and significant use of rough and polished diamonds by Hizbullah and other international criminal organisations and networks: indeed, much of the information presented in this report about al Qaeda's diamond-trading operations has been in the public domain for over two years. Global Witness believes that the penalty the diamond industry will have to pay for their inaction is greater government oversight in the future.

Despite the evidence, the diamond industry and governments have either claimed that the problem was too minor or too difficult to solve, or worse, adopted a 'see-no-evil' mentality, which has allowed the illicit trade in diamonds to flourish. No longer can the diamond industry claim ignorance. As the international crackdown on terrorist financing systems intensifies, al Qaeda will be forced even more urgently to seek alternative sources of revenue and means of asset transfer. The recent FATF report on money laundering discussed in this report stressed that the diamond sector's vulnerability and attractiveness to criminal networks made 'security in all phases of the diamond industry a critical necessity'.<sup>224</sup>

Global Witness believes that if the current lack of credible controls in the diamond industry goes unaddressed, then the result will be deeper terrorist infiltration into the high-value diamond business.

Governments and the industry must now recognise that diamond trading is an increasingly significant form of funding for terrorist groups like al Qaeda. They must take immediate and decisive action to tighten the controls on the diamond trade envisaged under the Kimberley Process, by implementing an independent monitoring mechanism and controls at the source of extraction. A continued failure to act would mean losing an important battle in the ongoing war against terrorism.



RUF mining in Kono, 1999



Village graffiti in Guinea, March 2001



## Annex 1 Nassour Diamond Trading Network in Africa

Annex's 1-5 have been researched and prepared by the International Peace Information Service (IPIS)  
Italiëlei 98 A, B-2000 Antwerp, Belgium, Tel + 32 3 2250022, Fax + 32 3 2310151

### *Diamond Exports of Comptoirs Licensed by RCD-Goma in 2000 (000 US\$)*

Source: RCD-Goma Department des Terres, Mines et Énergie, Goma DRC, March 2001.

Month	Belco Diamant	Superstars	N-Frères	Victoria Diamond	Zahraa Diamond	Maysaa Diamond	Sahar Diamant
Feb	505						
Mar	427						
Apr	578						
May	231						
Jun		38	37	6			
Jul					719	156	104
Oct					678	956	420
Nov					671	332	281
Dec	773				57	230	242

It is not known whether the N-Frères comptoir, or export company, was connected to Aziz Nassour or his cousins. The comptoirs Zahraa, Maysaa and Sahar are assumed to have been used by Nassour since these were the only comptoirs that were officially active during his monopoly. The fact that RCD-Goma recorded no diamond exports during August and September seems odd considering that productivity is generally very high during these months, and that the war for Kisangani, in which Rwanda and RCD-Goma were victorious, had been waged several months earlier in April and May 2000. However, an important consideration when reviewing these statistics is the issue of reliability. The figures provide only a vague reference to the actual activities of the comptoirs, since the latter would systematically undervalue their export declarations. Furthermore, smuggling by unlicensed dealers cannot be estimated with any degree of accuracy. Occasionally, RCD-Goma would seek to sell diamonds outside of the networks controlled by the Rwandans, and RCD-Goma officials would also keep their personal diamond interests secret from other members of the rebel organisation.

### *Estimated Value of Rough Diamond Imports to Belgium by Country of Provenance and Year (Values in Millions of US\$)*

Sources: Estimates of import values obtained through interviews in Central Africa with government authorities and diamond dealers, as well as with diamond companies in Antwerp that either deal with, or compete against, the five firms mentioned above.

	Sierra Gem	Triple A	African Star	ASA Diam	Amira Aya
Congo-Kinshasa 2001	15	5	0.1	3.5	0
Congo-Kinshasa 2000	55	40	1	14	10
Congo-Kinshasa 1999	95	60	0	0	20
Congo-Kinshasa 1998	55	30	0	0	5
Congo-Brazzaville 2001	70	10	10	0	0
Congo-Brazzaville 2000	35	10	0	0	0
Congo-Brazzaville 1999	0	0	0	0	0
Congo-Brazzaville 1998	0	0	0	0	0.5
Cent.African Rep. 2001	15	0	0	0	0
Cent.African Rep. 2000	15	0	0	0	0
Cent.African Rep. 1999	15	0	0	0	0
Cent.African Rep. 1998	15	0	0	0	0
Tanzania 2001	2	0.2	0	0	0
Tanzania 2000	5	0	0	0.1	0
Tanzania 1999	0	0	0	0	0
Tanzania 1998	0	0	0	0	0

## Central Africa

The five companies listed above did not import diamonds to Belgium from Angola, Uganda or Rwanda from 1998-2001.

Sierra Gem operates a bureau d'achat in the Central African Republic, named Primo. This bureau d'achat has been the country's second largest diamond exporter since 1998. Faze Khalil el Ali is the head of the Primo office according to the CAR Ministry of Mines. The laundering of conflict diamonds from Congolese rebel groups by companies operating in the CAR has been exposed, but Primo has not been implicated.

Sierra Gem is also one of the biggest comptoirs in the DRC. It operates Primogem, while Triple A operates Millenium. There are fewer than ten active comptoirs licensed by the DRC government, and most of these will hire out space on their licences to other Belgian companies that were not large enough to pay for a license. As a result, many different buyers operate under a single licence, and are financed by Belgian companies that apparently have no other connection to licence holders such as Primo Gem or Millenium. This relationship is outlined below.

Together with his father Ibrahim Khalil Nassour, and his brothers Aziz Ibrahim Nassour and Mohamed Ibrahim Nassour (see graph), Khalil Ibrahim Nassour formed the company Diamonds for Ever in 1984. Diamonds for Ever went bankrupt in 1999. A new Diamonds Forever exists now in Lebanon in which Khalil Nassour also plays a role. This company had an account at the ABN AMRO affiliate in Antwerp.<sup>225</sup>

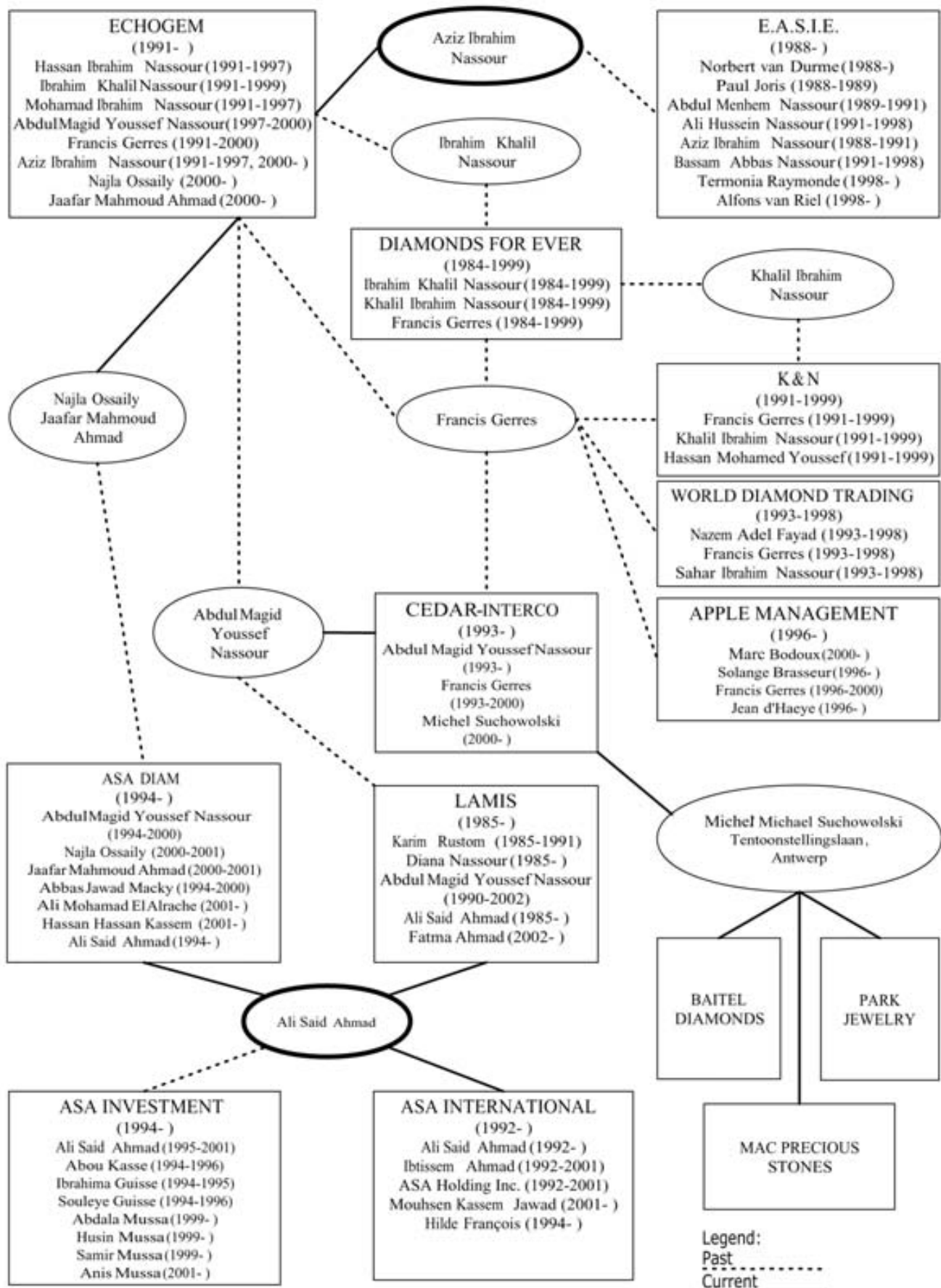
### *Declared Destinations in Belgium for Diamonds Exported by Primogem and Millenium (October 2001-June 2002)*

Source: DRC Government

Primo Gem	Millenium
General Trading Diamond Company	AK Diam
MAC Diamond Diamonds	Ghassan Dagher
Mackie Diamonds	Jatin Diamond
Marjan Diamond	KNA Diamonds
Mouradiah	MAC Diamond
Natural Diamond Corporation	Mouradiah
RBS Diamond	Murad & Sons Diamonds
Sierra Gem	Natural Diamond Corporation
Talib World Diamonds	Sana Diam
Yakar	Talib World Diamonds Yakar

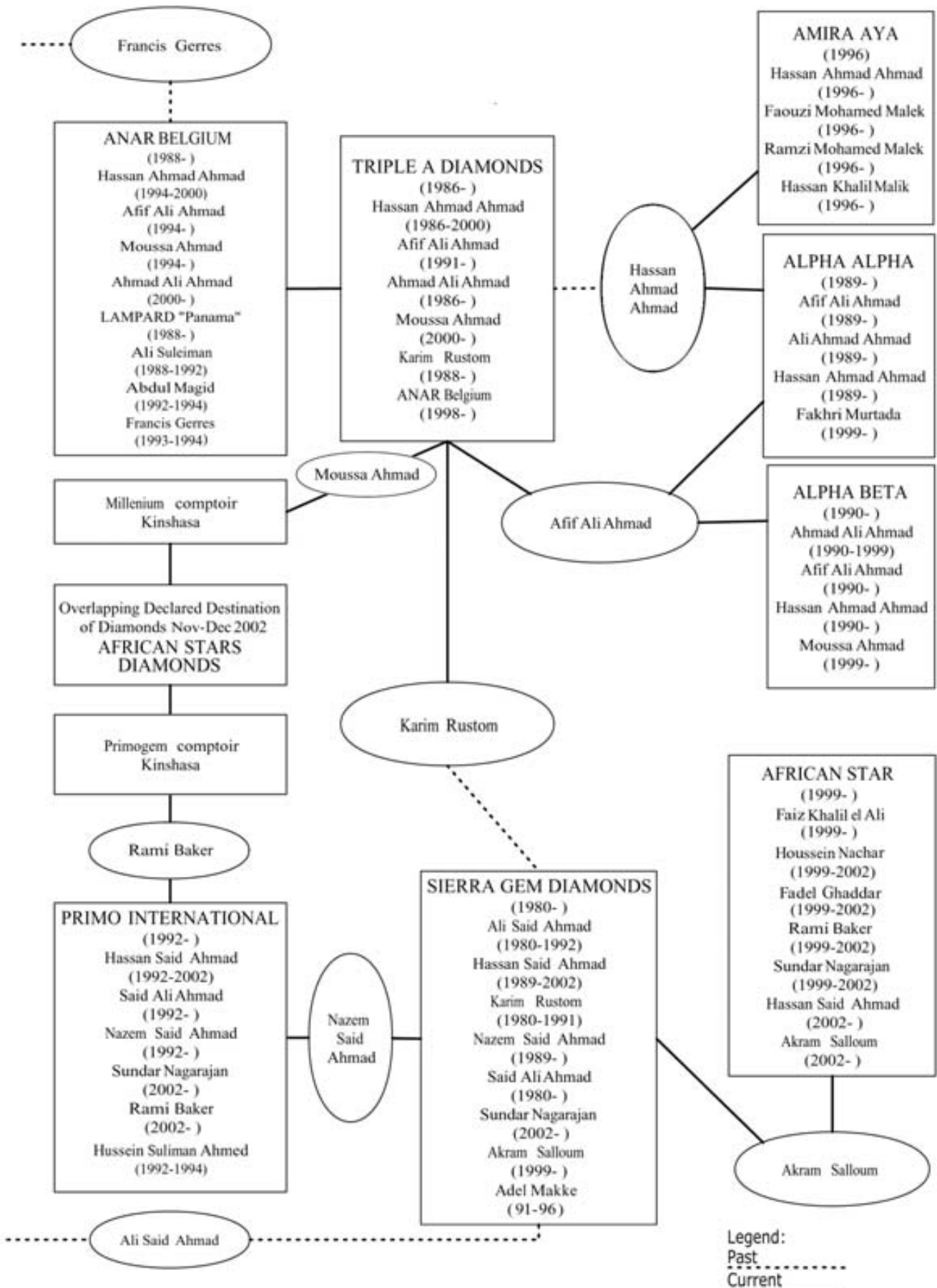
## Annex 2: Aziz Nassour diamond company links<sup>130</sup>

### Directors 1

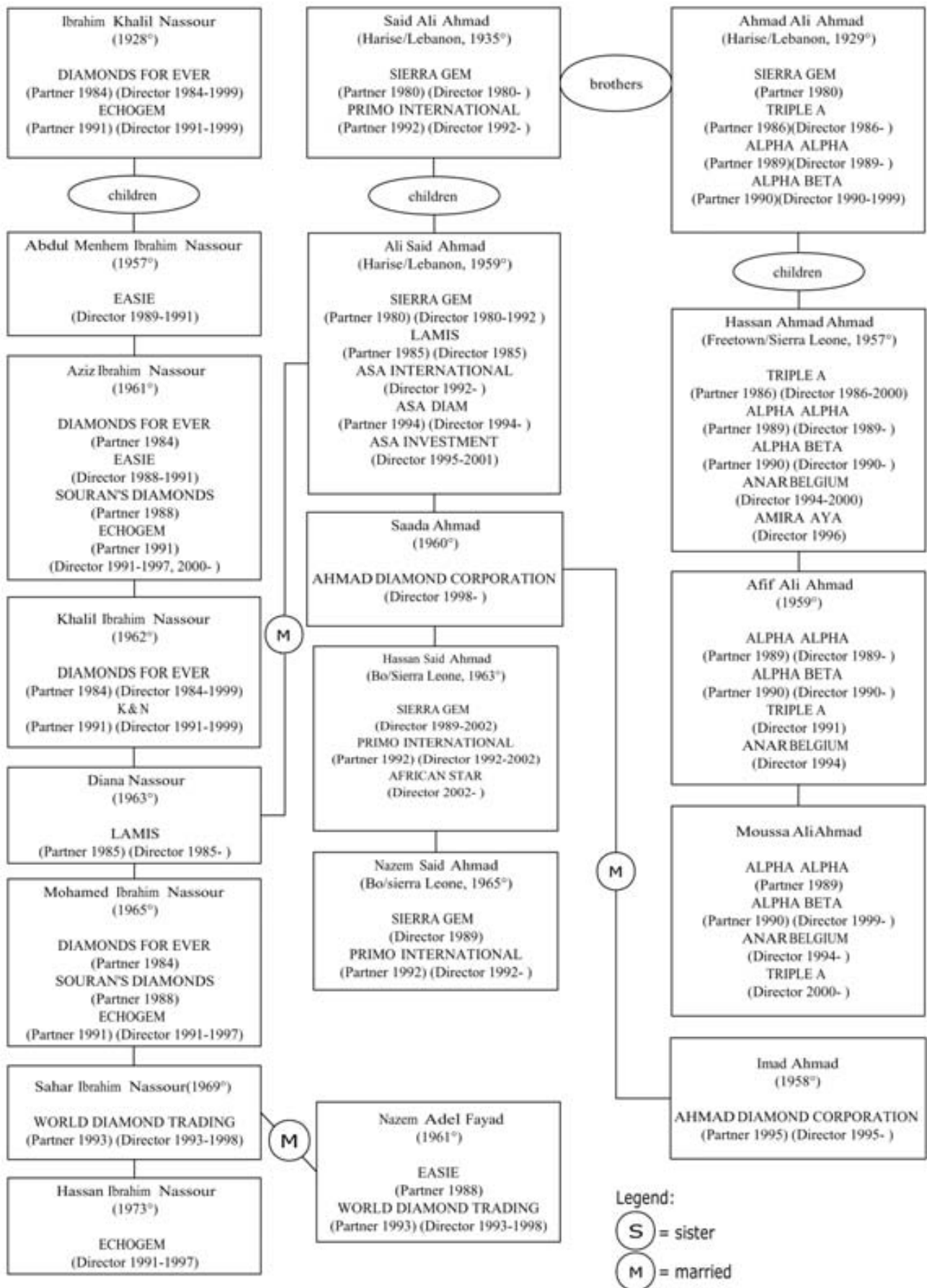




Directors 2



### Annex 3: Aziz Nassour's familial relationship in diamond trade<sup>130</sup>





## Annex 5: Comparison of EUC as used by Valerie Cherny with that found in Samih Ossaily's flat in Antwerp

Certificat d'achat (Abidjan 26/05/2000):Valery Cherny		Autorisation pour livraison (Abidjan 29/01/2001): Nataco Holding	
Ammunition 7.62 x 39 mm	5,000,000	Ammunition 7.62 x 39 mm	5,000,000
Grenade Launcher M93 30 mm	50	Grenade Launcher M93 30 mm	50
30mm Bombs for M93 Launcher	10,000	30mm Bombs for M93 Launcher	10,000
Thermal Image Binoculars	20	Thermal Image Binoculars	20
Thermal Image Weapon Sights	20	Thermal Image Weapon Sights	20
RPG-26 Launcher or M80 Launcher	50	RPG-26 Launcher or M80 Launcher	50
Grenade for RPG-26 or M80	5,000	Grenade for RPC26 or M80	500
PG-7-0G-7 Grenades	1,000	PG-7-0G-7 Grenades	1,000
Ammunition 9x19mm Parabellum	1,000,000	Ammunition 9x19mm Parabellum	1,000,000
AGS-17 Grenade Launcher	50	AGS-17 Grenade Launcher	50
Grenades for AGS-17	1,000	Grenades for AGS-17	1,000
Night Vision Monocular	50	Night Vision Monocular	50
GP Kastyor Launcher	80	GP Kastyor Launcher	80
45 Pistol or CZ 99 9mm Para Pistol	2,000	45 Pistol or CZ 99 9mm Para Pistol	2,000
RPG-7	200	RPG-7	200
Sniper Gun 12.7mm	50	Sniper rifle cal. 12.7mm	50
Ammunition 2 cal. 12.7	5,000	Ammunition 2 cal. 12.7	50
Sniper Gun cal 7.9 mm	50	Sniper rifle cal 7.9mm	50
Ammunition cal. 7.9mm	5,000	Ammunition cal. 7.92mm	5,000
Sniper cal 7.62 x 51 (308)	70	Sniper cal 7.62 x 54	70
Ammunition cal 7.62 x 51 mm	50,000	Ammunition 7.62 x 54mm	5,000
AK-47 Assault Rifle	10,500	AK-47 Assault Rifle	10,500
PK/ms	200	PK/mc	200
Ammunition PK/Ms	2,000,000	Ammunition PK/Ms	2,000,000
Pallard	2,000	Pallard	2,000
40mm Grenade for Pallard	10,000	40mm Grenade for Pallard	10,000
60mm	50	60mm	50
Rounds for 60mm	1,000	Rounds for 60mm	1,000
		PG-7-0G-7 Grenade	1,000
		Ammunition 9x19mm	1,000,000
		Grenades for AGS-17	1,000
		GP Kastyor Launcher	80
		Pistol?????? 9mm PARA	2000
		RPG-7	200
		Sniper Gun 7.62 x 54 mm	50
		Ammunition 7.62 x 54 mm	5,000
		AK-47 assault rifle	10,500
		PKMS 7.62 machine gun	200
		Ammunition for PKMS-7.62 x 54	2,000,000
		Ammunition 7.62 x 39 mm Ball	5,000,000
		Thermal Image Weapon (NSPU I)	20



## Annex 6: Definitions of Terrorism

### European Union

Taken from 'Council Common Position as of 27 December 2001 on the application of specific measures to combat terrorism.' (2001/931/CFSP) *Article 1, 3:*

'For the purposes of this Common Position, 'terrorist act' shall mean one of the following international acts, which, given its nature or its context, may seriously damage a country or an international organisation, as defined as an offence under national law, where committed with the aim of:

- (i) seriously intimidating a population, or
- (ii) unduly compelling a Government or an international organisation to perform or abstain from performing any act, or
- (iii) seriously destabilising or destroying the fundamental political, constitutional, economic or social structures of a country or an international organisation:
  - (a) attacks upon a person's life which may cause death;
  - (b) attacks upon the physical integrity of a person;
  - (c) kidnapping or hostage taking;
  - (d) causing extensive destruction to a Government or public facility, a transport system, an infrastructure facility, including an information system, a fixed platform located on the continental shelf, a public place or private property, likely to endanger human life or result in major economic loss;
  - (e) seizure of aircraft, ships or other means of public or goods transport;
  - (f) manufacture, possession, acquisition, transport, supply or use of weapons, explosives or of nuclear, biological or chemical weapons, as well as research into, and development of, biological and chemical weapons;
  - (g) release of dangerous substances, or causing fires, explosions or floods the effect of which is to endanger human life;
  - (h) interfering with or disrupting the supply of water, power or any other fundamental natural resource, the effect of which is to endanger human life;
  - (i) threatening to commit any of the acts listed under (a) to (h); directing a terrorist group;
  - (j) participating in the activities of a

terrorist group, including by supplying information or material resources, or by funding its activities in any way, with knowledge of the fact that such participation will contribute to the criminal activities of the group.

For the purposes of this paragraph, 'terrorist group' shall mean a structured group of more than two persons, established over a period of time and acting in concert to commit terrorist acts. 'Structured group' means a group that is not randomly formed for the immediate commission of a terrorist act and that does not need to have formally defined roles for its members, continuity of its membership, or a developed structure.'

### African Union

Taken from the Organisation of African Union (now African Union) Convention on the Prevention and Combating of Terrorism: *Article 1, 3:*

3. "Terrorist act" means:

- (a) any act which is a violation of the criminal laws of a State Party and which may endanger the life, physical integrity or freedom of, or cause serious injury or death to, any person, any number or group of persons or causes or may cause damage to public or private property, natural resources, environmental or cultural heritage and is calculated or intended to:
  - (i) intimidate, put in fear, force, coerce or induce any government, body, institution, the general public or any segment thereof, to do or abstain from doing any act, or to adopt or abandon a particular standpoint, or to act according to certain principles; or
  - (ii) disrupt any public service, the delivery of any essential service to the public or to create a public emergency; or
  - (iii) create general insurrection in a State.
- (b) any promotion, sponsoring, contribution to, command, aid, incitement, encouragement, attempt, threat, conspiracy, organising, or procurement of any person, with the intent to commit any act referred to in paragraph (a) (i) to (iii).'

### South African Government

Taken from: South Africa Anti-Terrorism Bill, 2002:

"terrorist act" means an act, in or outside the Republic,

- (a) that is committed
  - (i) in whole or in part for a political, religious or ideological purpose, objective or cause, and

- (ii) in whole or in part with the intention of intimidating the public, or a segment of the public, with regard to its security, including its economic security, or compelling a person, a government or a domestic or an international organisation to do or to refrain from doing any act, whether the person, government or organisation is inside or outside the Republic, and
- (a) that –
- (i) causes death or serious bodily harm to a person by the use of violence,
  - (ii) endangers a person's life
  - (iii) causes a serious risk to the health or safety of the public or any segment of the public,
  - (iv) causes substantial property damage, whether to public or private property, if causing such damage is likely to result in the conduct or harm referred to in any of subparagraphs (i) to (iii), or
  - (v) causes serious interference with or serious disruption of an essential service, facility or system, whether public or private, including, but not limited to: an information system; or a telecommunications system; or a financial system; or a system used for the delivery of essential government services; or a system used for, or by, an essential public utility; or a system used for, or by, a transport system, other than as a result of lawful advocacy, protest, dissent or stoppage of work that does not involve an activity that is intended to result in the conduct or harm referred to in any of subparagraphs (i) to (iii),

but, for greater certainty, does not include conventional military action in accordance with customary international law or conventional international law.'

#### **United Nations General Assembly**

Taken from General Assembly Resolution 54/110 Measures to eliminate international terrorism:

- '1. Strongly condemns all acts, methods and practices of terrorism as criminal and unjustifiable, wherever and by whomsoever committed;
2. Reiterates that criminal acts intended or calculated to provoke a state of terror in the general public, a group of persons or particular persons for political purposes are in any circumstance unjustifiable, whatever the considerations of a political,

philosophical, ideological, racial, ethnic, religious or other nature that may be invoked to justify them.'

Definition in UN International Convention for the Suppression of the Financing of Terrorism:

- '1. Any person commits an offence within the meaning of this Convention if that person by any means, directly or indirectly, unlawfully and wilfully, provides or collects funds with the intention that they should be used or in the knowledge that they are to be used, in full or in part, in order to carry out:
  - (a) An act which constitutes an offence within the scope of and as defined in one of the treaties listed in the annex; or
  - (b) Any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in the hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organisation to do or to abstain from doing any act.'

#### **Arab League**

Taken from Arab League Accord to Fight Terrorism, April 22, 1998<sup>eee</sup>

'The Main Principles Of The Accord:

1. Commitment to high moral and religious principles, above all the rules of the Islamic Shari`a and the human heritage of the Arab Nation, which condemns violence and terrorism and stresses the defence of human rights and cooperation between societies for the sake of peace.
2. Commitment to the rules of the covenant of the League of Arab States, of the UN, International Law and all other related international agreements. These are all the wellspring of international society in its pursuit of peace and security for all.
3. Differentiation between terrorist crimes and the struggle against foreign occupation and aggression, according to the principles of International Law.
4. Intensification of the Arab cooperation and coordination in the judicial security fields, and the creation of a common ground for this coordination by accepted bases to the judicial means of operations.
5. Coordination between the terms of this accord and the laws and steps taken by every individual state, in order to fulfil the common national aims of this accord.'

<sup>eee</sup> Source: Translated by Reuven Paz, ICT, from al-Ayam (Qatar), from Jewish Virtual Library, <http://www.us-israel.org/jsource/Peace/arabacc.html>

# Annex 7: Original documents reproduced in whole or in part

From: S. <safr1000@bellsouth.net>  
 To: Ori-Zoller <giz@ic.net.gp>  
 Sent: Martes 2 de Enero de 2001 8:04 AM  
 Subject: Re: Re / ABOUT MY PHONE CALL

> Dear ORI  
 > This is an order that our friend in Africa need, please send me your price list  
 > and  
 > if it is available in your stock.

> please call me-they need it very urgent.  
 > Regrds  
 > Simon

> G V wrote:  
 >  
 >> Hello sir,  
 >> voici la liste pour LB les keisev sont organisés, il faudrait donner une  
 >> cotation avec end user ou sans end user. livraisons Liberia.

>>> \* AK 47 rifles 600 units 125  
 >>> \* RPG 7 launchers 200 units 700  
 >>> \* Grenade launchers 400 units 400  
 >>> \* AA TWIN BAREL 40000 units 40000  
 >>> \* AA FOUR BAREL 40000 units 40000  
 >>> \* HAND GRENADE 6000 units 6000  
 >>> \* ANTI TANK launchers 50 units 10000  
 >>> \* 60 mm launchers 40 units 4000

>>> AMMO  
 >>> \* AK 47 rounds 1000 boxes 70  
 >>> \* RPG 7 BOMBS 6000 bombs 75  
 >>> \* 2000 grenades (grenade launchers) 2000  
 >>> \* 40000 rounds(for the AA twin barel) 40.000  
 >>> \* 40000 rounds(for the AA four barel) 40.000  
 >>> \* 200 anti tank rocket's 200  
 >>> \* 800 60 mm rocket's 800  
 >>> \* 200 Rocket's (for the BM 21 multiple barel) 200  
 >>> \* 20 SAM 8 OR 7 with the specialist 20  
 >>> \* 100000 ammunition 200 boxes

>> Voici plus ou moins ce que je voudrais avoir comme info

Email from Shimon Yelenik to Ori Zoller

Email from Shimon Yelenik on Liberian arms deal

From: S. <safr1000@bellsouth.net>  
 To: Ori-Zoller <giz@ic.net.gp>  
 Sent: Miércoles 3 de Enero de 2001 3:25 PM  
 Subject: Re: Re / ABOUT MY PHONE CALL

Dear Ori,  
 This is the start price list that i send to my contact, he already told me that it  
 expensive. i replay that if he take it all we will make discount for him, please check  
 item no-3-7-8-11-14-15 if you have in stock and prices.  
 Please do not travel to your man before i will receive the green light that the money  
 is ready in my contact hand and the hand-over certificate is ready also.  
 Send me by email or fax under what name-or to who you need the paper.  
 Regrds  
 S.

"S." wrote:  
 > Dear guy/sirs  
 >  
 > This is the price list from the country in this area, the country  
 > have every thing  
 > in stock in good condition.  
 > we can arrange as well the transport to your place, the paper that  
 > will be send  
 > will be o.k as we talk.  
 > After the arrangement you can send some -one to inspect the tools and  
 > it will be  
 > send to your place.  
 > waiting for your reply for the ITEM no- 3-7-8-11-14-15.

> Regrds  
 > S.  
 >>> G V wrote:  
 >>>> Hello sir,  
 >>>> voici la liste pour LB les keisev sont organisés, il faudrait donner une  
 >>>> cotation avec end user ou sans end user. livraisons Liberia.

>>>> 1. AK 47 rifles 600 units - 135.5 each / 67.  
 >>>> 2. RPG 7 launchers 200 units - 1600. each 1533.  
 >>>> 3. Grenade launchers 400 units - (AGA-40 MD-85) grenades in  
 >>>> Retention (if it is available in your stock) (P. 10/10)

>>>> \*13. 40000 rounds(for the AA twin barel) 40.000- API-5.25 / 2.  
 >>>> \*14. 200 anti tank rocket's- ( on check) see no-see no-7.  
 >>>> \*15. 800 60 mm rocket's- (on check) see no-see no-8.  
 >>>> \*16. 200 Rocket's (for the BM 21 multiple barel)- BM 21 from 600.5 1976 or  
 >>>> recent year.  
 >>>> \*17. 20 SAM 8 OR 7 with the specialist- 11,000.5-box, 18,000.5-pipe.  
 >>>> \*18. 100000 ammunition- 200 boxes (100000 rounds)

>>>> Voici plus ou moins ce que je voudrais avoir comme info  
 >>>> DELAI, POSSIBILITE DE LIVRAISON (avion 707), et tout autres infos, merci  
 >>>> beaucoup, tell me when you receive this.  
 >>>> GUY

PROLONGACION BOULEVARD LOS PROCERES ZONA 11, KILOMETRO 9  
 CARRETERA A EL SALVADOR, AREA COMERCIAL HOTEL QUINTA REAL

**FAX**

Date: 05/01/2001  
 Number of pages including cover sheet: 03

**GIR**  
 SERVICIOS INTERNACIONALES

To: ATN. GENERAL ROBERTO CALDERON  
 Phone: 218 7607  
 Fax phone: 218 7607

From: OR. S.A. ORI ZOLLER  
 Phone: 00-502-342 50 50 AL 04  
 Fax phone: 00-502-342 5080

REMARKS:  Urgent  For your review  Reply ASAP  Please comment

GENERAL CALDERON:  
 SEGUN INSTRUCCIONES DEL SEÑOR ORI ZOLLER ADJUNTO LA SIQUENTE  
 INFORMACION:  
 ATENTAMENTE,  
 EUGENIA DE LEON

Fax to General Calderon from Ori Zoller 5 January 2001

**INFORME CONFIRMACION DE ENVIOS**

FECHA/HORA: 1-5-11 3  
 NUMERO LOCAL: 502 345 5  
 COMPANIA: GRUPO GUY  
 PAGINA:

A	ESTACION REMOTA	HORA INICIO	DURACION	PAGS	MODD	RESULTADOS
7	2287606	1-5-1 13:38	2'09"	2/ 2	CE	COMPLETADA CE 9600
TOTAL			2'09"	2/ 2		

NOTA:  
 CE CORRECCION ERROR RC RECEP CONFIDENCIAL SM SOND MULT DF DIFUSION  
 96 9600 BPS SELECC SE SOND EN OS DIA SECUND 82 BUCON  
 48 4800 BPS SELECC SS SOND-SAL CL CLAVE OR DIAGNOSTICOS

**FAX**

To: GENERAL CALDERON  
 Phone: 218 7607  
 Fax phone: 218 7607

From: OR. S.A. ORI ZOLLER  
 Phone: 00-502-342 50 50 AL 04  
 Fax phone: 00-502-342 5080

REMARKS:  Urgent  For your review  Reply ASAP  Please comment

GENERAL CALDERON:  
 SEGUN INSTRUCCIONES DEL SEÑOR ORI ZOLLER ADJUNTO LA SIQUENTE  
 INFORMACION:  
 ATENTAMENTE,

Confirmation of fax to General Calderon from Ori Zoller regarding arms purchases



No.	DESCRIPCIÓN	CANTIDAD
<b>ARMS</b>		
Nuevos - Reparación General		
1.	AK 47 (reparación general)	800 Unidades
2.	RPG-7	200 Unidades
3.	AGS-17	400 Unidades
4.	ZU-23-2	6 Unidades
5.	ZU-30-4	4 Unidades
6.	Grenadas ofensivas (F-1)	6000 Unidades
7.	A/T Komet 80 mm A/T Fogot 80 mm	50 Unidades 40 Unidades

No.	DESCRIPCIÓN	CANTIDAD
<b>AMMON</b>		
1.	AK 47 Rounds	1000 Boxes
2.	RPG-7	6000 Unidades
3.	Grenadas (F-1)	2000 Unidades
4.	23 mm - 20-23-2	40.000 Unidades
5.	30 mm - 20-30-4	40.000 Unidades
6.	Komet	—
7.	Fogot	—
8.	IGLA - 1	20 Unidades

\*cantidad de mecanismos de disparos?  
\*cantidad de cohetes?

*John Crowe 1/16/01*  
*10/12*  
*10/12*  
*7-6*  
*073*

List of arms and prices from General Calderon

Guatemala  
16 de Enero del 2001

SEÑOR:  
SERGEY LADIGIN  
DIRECTOR DEL DEPARTAMENTO REGIONAL  
DE LA AMÉRICA LATINA DE LA EMPRESA  
ESTATAL UNITAR ROSOBORONEXPORT  
REP. CERTIFICADO DE USO FINAL

Por medio de la presente certifico que  
el material que se relaciona a  
continuación es únicamente para su  
importación a \_\_\_\_\_  
su destino final \_\_\_\_\_

Entendamos y conocemos que el uso  
del material antes indicado a cualquier  
otro país, es contra las regulaciones  
internacionales.

Atentamente,

Handwritten fax from Bah's house in Liberia detailing how to write the Guatemalan End User Certificate

**INFORME CONFIRMACION DE ENVIOS**

FECHA/HORA: 1-16-1 19:12  
NUMERO LOCAL: 502 345 5000  
COMPANIA: GRUPO GUINEL  
PAGINA: 1

TRA	ESTACION REMOTA	HORA INICIO	DURACION	PAGS	MOOD	RESULTADOS
206	305 937 0806	1-16-1 19:12	0'56"	1/ 1	CE	COMPLETADA CE 14460
TOTAL			0'56"	1/ 1		

NOTA:  
CE CORRECCION ERROR  
SE 3600 SPS 301-CCC  
SE 4800 SPS 301-CCC

RE RECEP CONFIDENCIAL  
SE 3600 SPS  
SE 4800 SPS

SM SOND MULT  
OS SUR SECUND  
CL CLAYE

SF DEFUSION  
SE SUDON  
OR DIAGNOSTICOS

SEÑOR:  
Sergey Ladigin  
Director de Departamento Regional  
de la América Latina de la Empresa  
Estatal Unitar Rosoboronexport

Rep. Certificado de Uso Final

Por medio de la presente certifico que el material que se relaciona a continuación es únicamente para su importación a \_\_\_\_\_ siendo su destino final \_\_\_\_\_

CANTIDAD	DESCRIPCION

Entendamos y conocemos que el envío del material antes indicado a cualquier otro país, es contra las regulaciones internacionales.

Atentamente,

*30a*

Confirmation of receipt of typed Guatemalan End User Certificate faxed by Yelenik in Miami. 16 January 2001

**- BORRADOR -**

Guatemala,  
Enero 16 del 2001.

SEÑOR:  
Sergey Ladigin  
Director de Departamento Regional  
de la América Latina de la Empresa  
Estatal Unitar Rosoboronexport

Rep. Certificado de Uso Final

Por medio de la presente certifico que el material que se relaciona a continuación es únicamente para su importación a \_\_\_\_\_ siendo su destino final \_\_\_\_\_

CANTIDAD	DESCRIPCION

Entendamos y conocemos que el envío del material antes indicado a cualquier otro país, es contra las regulaciones internacionales.

Atentamente,

*30b*

False Guatemalan End User Certificate for Nassour



**HOTEL BOULEVARD**

STATEMENT OF ACCOUNTS

CLIENT: ALI DARWISH  
 NUMBER: 1  
 ROOM NO.: 201  
 RATE USD: 80.00  
 DATE IN: 01/29/21  
 DATE OUT: 02/06/21

DATE	ROOM	RATE	DESCRIPTION	DEBIT	CREDIT	BALANCE
01/29/21	200	08.29	ACCOMMODATION	80.00	0.00	80.00
01/30/21	200	07.71	BAR/REST.	0.00	0.00	80.00
01/31/21	200	08.29	BAR/REST.	0.00	0.00	80.00
02/01/21	200	07.62	BAR/REST.	0.00	0.00	80.00
02/02/21	200	07.62	BAR/REST.	0.00	0.00	80.00
02/03/21	200	10.00	BAR/REST.	0.00	0.00	80.00
02/04/21	200	11.50	BAR/REST.	0.00	0.00	80.00
02/05/21	200	11.49	BAR/REST.	0.00	0.00	80.00
02/06/21	200	11.76	BAR/REST.	0.00	0.00	80.00
02/06/21	200	11.88	BAR/REST.	0.00	0.00	80.00
<b>BALANCE</b>						<b>706.00</b>

NUMBER OF DAYS: 9  
 ACCOMMODATION: 80.00  
 TAX: 0.00  
 BAR/REST.: 86.00  
 DEPOSIT: 0.00  
 BALANCE: 706.00

**HOTEL BOULEVARD PAID IN FULL**  
 DATE: 02-12-21  
 SIGNATURE

Hotel Boulevard Bill for Ali Darwish.  
 29 January to 6 February 2001

**HOTEL BOULEVARD**

STATEMENT OF ACCOUNTS

CLIENT: IBRAHIM BALADE  
 NUMBER: 1  
 ROOM NO.: 104  
 RATE USD: 70.00  
 DATE IN: 01/31/21  
 DATE OUT: 02/06/21

DATE	ROOM	RATE	DESCRIPTION	DEBIT	CREDIT	BALANCE
01/31/21	200	07.42	ACCOMMODATION	420.00	0.00	420.00
02/01/21	600	04.29	LAUNDRY	0.00	0.00	420.00
02/02/21	600	04.41	LAUNDRY	0.00	0.00	420.00
02/03/21	600	04.42	LAUNDRY	0.00	0.00	420.00
02/04/21	600	10.00	LAUNDRY	0.00	0.00	420.00
02/05/21	600	10.00	LAUNDRY	0.00	0.00	420.00
02/06/21	600	10.00	LAUNDRY	0.00	0.00	420.00
02/07/21	600	11.11	LAUNDRY	0.00	0.00	420.00
02/08/21	600	10.77	LAUNDRY	0.00	0.00	420.00
02/09/21	600	11.87	LAUNDRY	0.00	0.00	420.00
02/10/21	600	04.40	LAUNDRY	0.00	0.00	420.00
02/11/21	600	04.49	LAUNDRY	0.00	0.00	420.00
02/12/21	600	04.46	LAUNDRY	0.00	0.00	420.00
02/13/21	600	11.61	BAR/REST.	0.00	0.00	420.00
02/14/21	600	11.60	BAR/REST.	0.00	0.00	420.00
02/15/21	600	11.67	BAR/REST.	0.00	0.00	420.00
02/16/21	600	11.74	BAR/REST.	0.00	0.00	420.00
<b>BALANCE</b>						<b>140.00</b>

NUMBER OF DAYS: 6  
 ACCOMMODATION: 420.00  
 TAX: 0.00  
 BAR/REST.: 106.00  
 LAUNDRY: 21.00  
 DEPOSIT: 0.00  
 BALANCE: 550.00

**HOTEL BOULEVARD PAID IN FULL**  
 DATE: 02-19-21  
 SIGNATURE

Hotel Boulevard bill for Ibrahim Bah - aka Ibrahim Balade.  
 31 January to 6 February 2001

**HOTEL BOULEVARD**

STATEMENT OF ACCOUNTS

CLIENT: ALI NASSOUR  
 NUMBER: 1  
 ROOM NO.: 201  
 RATE USD: 70.00  
 DATE IN: 02/15/21  
 DATE OUT: 03/03/21

DATE	ROOM	RATE	DESCRIPTION	DEBIT	CREDIT	BALANCE
02/15/21	200	10.00	ACCOMMODATION	70.00	0.00	70.00
02/16/21	200	10.00	ACCOMMODATION	70.00	0.00	140.00
02/17/21	200	10.00	ACCOMMODATION	70.00	0.00	210.00
02/18/21	200	10.00	ACCOMMODATION	70.00	0.00	280.00
02/19/21	200	10.00	ACCOMMODATION	70.00	0.00	350.00
02/20/21	200	10.00	ACCOMMODATION	70.00	0.00	420.00
02/21/21	200	10.00	ACCOMMODATION	70.00	0.00	490.00
02/22/21	200	10.00	ACCOMMODATION	70.00	0.00	560.00
02/23/21	200	10.00	ACCOMMODATION	70.00	0.00	630.00
02/24/21	200	10.00	ACCOMMODATION	70.00	0.00	700.00
02/25/21	200	10.00	ACCOMMODATION	70.00	0.00	770.00
02/26/21	200	10.00	ACCOMMODATION	70.00	0.00	840.00
02/27/21	200	10.00	ACCOMMODATION	70.00	0.00	910.00
02/28/21	200	10.00	ACCOMMODATION	70.00	0.00	980.00
02/29/21	200	10.00	ACCOMMODATION	70.00	0.00	1050.00
02/30/21	200	10.00	ACCOMMODATION	70.00	0.00	1120.00
03/01/21	200	10.00	ACCOMMODATION	70.00	0.00	1190.00
03/02/21	200	10.00	ACCOMMODATION	70.00	0.00	1260.00
03/03/21	200	10.00	ACCOMMODATION	70.00	0.00	1330.00
<b>BALANCE</b>						<b>1330.00</b>

NUMBER OF DAYS: 18  
 ACCOMMODATION: 1330.00  
 TAX: 0.00  
 BAR/REST.: 0.00  
 DEPOSIT: 0.00  
 BALANCE: 1330.00

**HOTEL BOULEVARD PAID IN FULL**  
 DATE: 03-03-21  
 SIGNATURE

Hotel Boulevard bill for Aziz Nassour.  
 15 February to 3 March 2001



Room 416 MR. Simon

External Parts topics

1. Anti-hemorrhoid
2. Benzyl benzate
3. Calamine
4. Gentian Violet
5. Iodine providone
6. Neomycin
7. Tetracycline eye ointment/drops

Dressings

1. Elastic Bandage non-adhesive
2. Cotton Wool
3. Hydrophilic gauze bandage
4. Gauze Compress
5. Tape adhesive
6. Alcohol
7. Elastic bandage adhesive

26a

JAN 17 2001 18:22 PAGE: 01

request  
Y quote for medical stuff for Africa  
2 more sent quote if don't do  
medical stuff

Handwritten fax sent to Shimon Yelenik in room 416 in Marriott Hotel in Miami, Florida on 16 January 2001 requesting medical supplies.

Room 416 MR. Simon

Medical Supplies

1. Diapering bags
2. Examination gloves
3. Thermometer
4. Syring and needles
5. Surgical blades
6. Physicians Set
7. Stethoscope / Standard
- 8.

26b

JAN 17 2001 18:11 PAGE: 01

Handwritten fax sent to Shimon Yelenik in room 416 in Marriott Hotel in Miami, Florida on 16 January 2001 requesting medical supplies.

Room 416 MR. Simon

Tablets

1. Acetylsalicylic acid 325mg tabs
2. Chloramphenicol
3. Chloroquine phosphate
4. Ciprofloxacin
5. Diazepam 5mg tabs
6. Ferrous Sulphate
7. Folic Acid
8. Gliclazide 500mg
9. Ibuprofen
10. Multi-Vitamin
11. Oral Rehydration Salts (sachets)
12. Paracetamol 500mg
13. Quinine Sulphate 300mg
14. Tetracycline tablet caps
15. Vitamin B tabs
16. Aspirin
17. Septrin

26c

JAN 17 2001 18:16 PAGE: 01

Handwritten fax sent to Shimon Yelenik in room 416 in Marriott Hotel in Miami, Florida on 16 January 2001 requesting medical supplies.

Room 416 MR. Simon

Injectables

1. Ampicillin powder 500mg
2. Benzyl penicillin benzathine
3. Benzyl penicillin procaine
4. Chloroquine sulphate 5ml supps
5. Diazepam 5mg
6. Dexamethasone
7. Gentamycin sulphate
8. Quinine
9. Tramadol
10. Vitamin B12
11. Water for injections
12. Anti-itching
13. Pain killers

Infusions

1. Saline (Dextrose) 5% 500ml plus Set
2. Haemaccel plasma substitute 500ml
3. Sodium chloride 0.9% 500ml plus Set
4. Infusion sets

26d

JAN 17 2001 18:16 PAGE: 01

Handwritten fax sent to Shimon Yelenik in room 416 in Marriott Hotel in Miami, Florida on 16 January 2001 requesting medical supplies.



*Revolutionary United Front of Sierra Leone*

December 31, 2001

Dear Sir,

I write to inform you that I am not a part of what Eddie Kanneh did. I trusted Eddie that's why I appointed him as Ambassador to Liberia from our Movement.

Sir, Eddie Kanneh is now in the Ivory Coast living with Sekou, the Field commander of our friend in Guinea.

Sir, we would like you to please reconsider your decision about us not being allowed in Liberia again.

Sir, you are our father and without you we are nowhere so please consider us as we cannot get anything from Freetown.

We wish you a Happy New Year.

Your son,

Gen. Issa Cisse  
(Supreme Commander)  
RUF/SL

*Revolutionary United Front of Sierra Leone*

December 31, 2001

Dear Sir,

We received with great surprise the news that Sam was in Burkina Faso along with Gen. Abraham Bah.

Sir, we the leadership knows that Sam being in Burkina Faso was the sole work of Gen. Abraham Bah because he stole more then \$800.000USD from the sale of our gem stone that was given him to give to you. Maybe you don't know but anywhere we see Gen. Abraham Bah we will catch him. So Mr. President we are asking you to please not allow Gen. Bah to come to Liberia again.

May God bless you Sir.

We look forward to hearing from you soon.

Your son,

Gen. Issa Cisse  
(Supreme Commander)  
RUF/SL

Letters from RUF interim leader Issa Hassan Sesay to President Charles Taylor



REPUBLIC OF LIBERIA  
BUREAU OF IMMIGRATION & NATURALIZATION  
MINISTRY OF JUSTICE  
MONROVIA, LIBERIA

OFFICE OF THE COMMISSIONER  
attn: Immigration Commander  
Roberts International Airport  
Borbel, Margibi County  
Republic of Liberia

AIRPORT VISA NO 011/212

**AIRPORT VISA**

Mr. FERIEL SHAHIN \* LIBANON \*\*\*\*\* Nationality

is due to arrive in Liberia via Roberts International Airport

airport without the necessary Entry Visa(s), as guest(s) of Mr. Abraham Bah of 15th Street, Sinkor Telephone No.

You are further directed to allow him to enter and indicate in his Passport (s) "SEEN ON ARRIVAL" or grant unto him a period which he intend(s) to temporarily stay in Liberia, but not to exceed the statutorily required period.

You are, therefore, directed to advise the appropriate airline accordingly. And for so doing, this shall constitute your legal and sufficient authority.

Given under my hand this 14th day of June 2001 in the City of Monrovia, Liberia

Note: A. The validity of this Visa is Three (3) months as of the date hereof, and of a single journey only.

B. This document is not valid without the Official Stamp of the Commissioner

Visa VIP waiver forms for Liberia for Ferial Shahin

REPUBLIC OF LIBERIA  
BUREAU OF IMMIGRATION & NATURALIZATION  
MINISTRY OF JUSTICE  
MONROVIA, LIBERIA

OFFICE OF THE COMMISSIONER  
attn: Immigration Commander  
Roberts International Airport  
Borbel, Margibi County  
Republic of Liberia

AIRPORT VISA NO 011/212

**AIRPORT VISA**

Mr. SOULEMANI M. GUESSEN \* TOGONDI \*\*\*\*\* Nationality

is due to arrive in Liberia via Roberts International Airport

airport without the necessary Entry Visa(s), as guest(s) of Mr. Abraham Bah of 15th Street, Sinkor Telephone No.

You are further directed to allow him to enter and indicate in his Passport (s) "SEEN ON ARRIVAL" or grant unto him a period which he intend(s) to temporarily stay in Liberia, but not to exceed the statutorily required period.

You are, therefore, directed to advise the appropriate airline accordingly. And for so doing, this shall constitute your legal and sufficient authority.

Given under my hand this 6th day of March 2001 in the City of Monrovia, Liberia

Note: A. The validity of this Visa is Three (3) months as of the date hereof, and of a single journey only.

B. This document is not valid without the Official Stamp of the Commissioner

Visa VIP waiver forms for Liberia for Soulemani M Guessen. Guessen is Ahmed Khalfan Ghailani

REPUBLIC OF LIBERIA  
BUREAU OF IMMIGRATION & NATURALIZATION  
MINISTRY OF JUSTICE  
MONROVIA, LIBERIA

OFFICE OF THE COMMISSIONER  
attn: Immigration Commander  
Roberts International Airport  
Borbel, Margibi County  
Republic of Liberia

AIRPORT VISA NO 011/212

**AIRPORT VISA**

Mr. AZIZ NASSOUR \* Libanoni \*\*\*\*\* Nationality

is due to arrive in Liberia via Roberts International Airport

airport without the necessary Entry Visa(s), as guest(s) of Mr. Abraham Bah of 15th Street, Sinkor Telephone No.

You are further directed to allow him to enter and indicate in his Passport (s) "SEEN ON ARRIVAL" or grant unto him a period which he intend(s) to temporarily stay in Liberia, but not to exceed the statutorily required period.

You are, therefore, directed to advise the appropriate airline accordingly. And for so doing, this shall constitute your legal and sufficient authority.

Given under my hand this 9th day of July 2001 in the City of Monrovia, Liberia

Note: A. The validity of this Visa is Three (3) months as of the date hereof, and of a single journey only.

B. This document is not valid without the Official Stamp of the Commissioner

Visa VIP waiver forms for Liberia for Aziz Nassour

REPUBLIC OF LIBERIA  
BUREAU OF IMMIGRATION & NATURALIZATION  
MINISTRY OF JUSTICE  
MONROVIA, LIBERIA

OFFICE OF THE COMMISSIONER  
attn: Immigration Commander  
Roberts International Airport  
Borbel, Margibi County  
Republic of Liberia

AIRPORT VISA NO 011/212

**AIRPORT VISA**

Mr. MOHAMMAD D. KENEME \* YEMOUDE \*\*\*\*\* Nationality

is due to arrive in Liberia via Roberts International Airport

airport without the necessary Entry Visa(s), as guest(s) of Mr. Abraham Bah of 15th Street, Sinkor Telephone No.

You are further directed to allow him to enter and indicate in his Passport (s) "SEEN ON ARRIVAL" or grant unto him a period which he intend(s) to temporarily stay in Liberia, but not to exceed the statutorily required period.

You are, therefore, directed to advise the appropriate airline accordingly. And for so doing, this shall constitute your legal and sufficient authority.

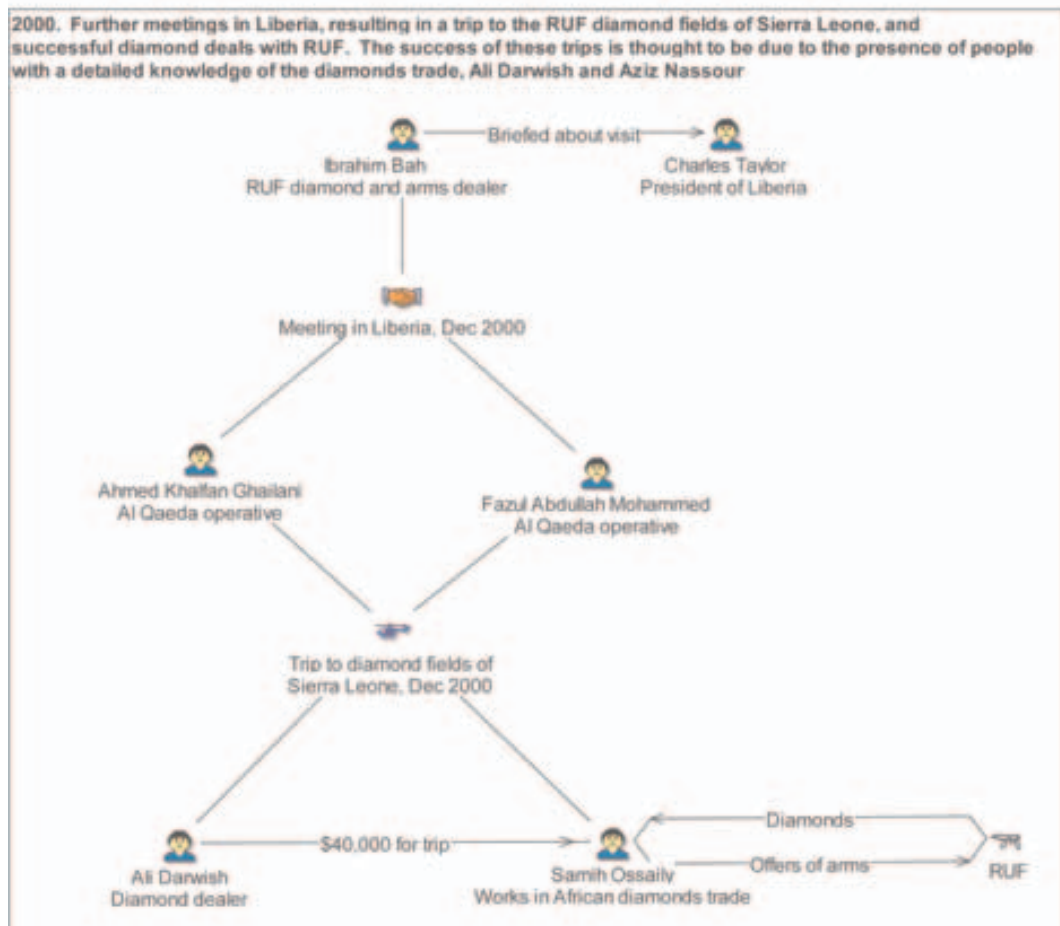
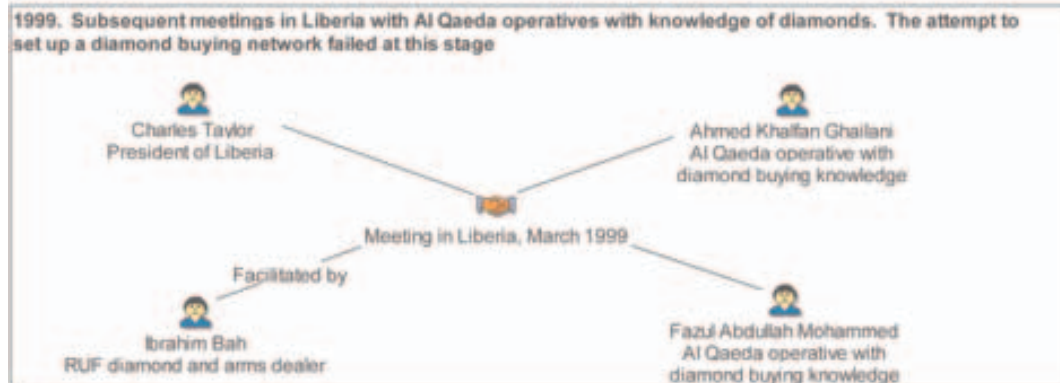
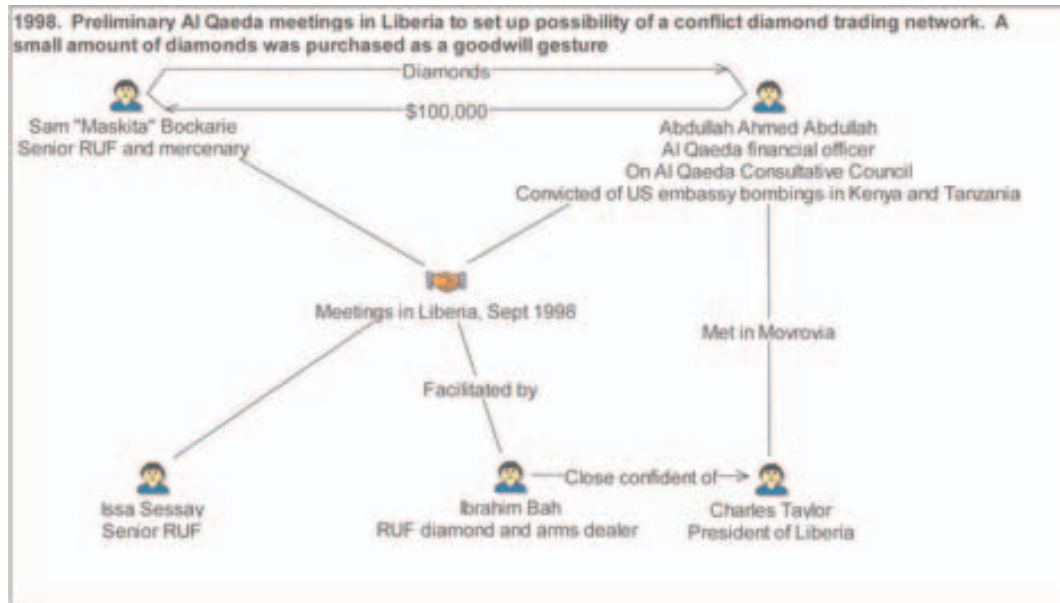
Given under my hand this 6th day of March 2001 in the City of Monrovia, Liberia

Note: A. The validity of this Visa is Three (3) months as of the date hereof, and of a single journey only.

B. This document is not valid without the Official Stamp of the Commissioner

Visa VIP waiver forms for Liberia for Mohammad D Keneme. Keneme is Fazul Abdullah Mohammed

## Annex 8: Graphs



12 charts showing al Qaeda diamond deals in Sierra Leone and Liberia in 1998 and 2000





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