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Saudi Internal Security: A Risk Assessment

Terrorism and the Security Services- Challenges & Developments

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Please note that this document is a working draft and will be revised regularly as part of the CSIS Saudi Arabia Enters the 21st Century Project. It is also being used by the authors to develop an analysis for the Geneva Center on Security Policy. To comment, or to provide suggestions and corrections to the authors, please e-mail them at acordesman@aol.com, nawafobaid@aol.com and jmoravit@cis.org.

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Introduction

The Saudi security apparatus is undergoing major changes. Saudi Arabia no longer faces a major threat from Iraq, but must deal with the growing risk that Iran will become a nuclear power. This confronts Saudi Arabia with hard strategic choices as to whether to ignore Iran's efforts to proliferate, seek US military assistance in deterring Iran and possibly in some form of missile defense, or to acquire more modern missiles and its own weapons of mass destruction.

The Kingdom's most urgent security threats, however, no longer consist of hostile military forces. They have become the threat of Islamic extremism and terrorism. Saudi Arabia faces a direct internal and external threat from Islamic extremists, many affiliated with Al Qaida or exile groups, and it must pay far more attention to internal security than in the past. At the same time, it must deal with the fact that this threat not only is internal, but also is regional and extends throughout the Islamic world. Saudi Arabia's religious legitimacy is being challenged, and its neighbors and allies face threats of their own.

All of these factors interact with a longer terms set of threats to Saudi stability that are largely economic and demographic, but which may well be more important than any combination of outside military threats and the threat of Islamic extremism and terrorism. Saudi Arabia has embarked on a process of political, economic, and social reforms that reflect a growing understanding by the governing members of the royal family, Saudi technocrats, and Saudi businessmen that Saudi "oil wealth" is steadily declining in relative terms, and that Saudi Arabia must reform and diversify its economy to create vast numbers of new jobs for its growing and young population.

There is a similar understanding that economic reform must be combined with some form of political and social reform if Saudi Arabia is to remain stable in the face of change, and that the Kingdom must be far more careful about the ways in which it uses the revenues from its oil exports and its other revenues. This means hard decisions about future arms imports and investments in military and security forces. Massive changes are needed in Saudi military planning, and especially in military procurement and arms imports, to create balanced and effective forces at far lower cost.

As yet, Saudi Arabia's security apparatus has only begun to react to these changes. Its military forces are only beginning to adapt to the fact the Iraqi threat has largely disappeared, that Iran's threat is a mix of proliferation and capabilities for asymmetric warfare and not the build-up of conventional forces, and that it is engaged in a generational struggle against domestic and foreign Islamic extremism. It has begun the process of deeper political, economic, and social reform, but it has only made a beginning; its plans are still half formed, and no aspect of reform as yet has the momentum necessary to succeed. Like much of the Arab and Islamic world, Saudi Arabia also seems culturally unable to honestly address its demographic problems and rapid population growth. It can deal with the symptoms, but not the cause.

Given this background, the current structure of the Saudi security apparatus is only one key to security. It is Saudi ability to formulate and execute policies that can cope with the major changes that must be made in the Saudi approach to strategy. The finer details of governance are really of passing interest at best, and are necessarily transitional. The real

question is how quickly Saudi Arabia can change and adapt its overall approach to security, and how successful it will be in the process.

The Saudi Security Apparatus

The current Saudi security apparatus is a complex mix of regular military forces, a separate National Guard, and various internal security and intelligence services. Saudi Arabia's military forces are only one element of this security structure and are currently divided into five major branches: the Army, the National Guard, the Navy, the Air Force, and the Air Defense Force. Saudi Arabia also has large paramilitary and internal security forces, and a small strategic missile force.

Saudi Arabia has made significant progress in creating modern and effective military forces, but it still faces major problems in the leadership and organization of its armed forces. It also has significant problems in manpower numbers, quality, and management. The Kingdom faces the traditional problems all states face in organizing and commanding large military forces, and in shaping and funding the future structure of its armed forces.

The Leadership of the Saudi Security Apparatus

Civilian control of the Saudi security apparatus is absolute, but it is extended through the royal family and not through the methods common in the West. Saudi military forces are formally under the direct control of King Fahd bin Abdul Aziz Al Saud. King Fahd is the Prime Minister of Saudi Arabia, Custodian of the Two Holy Mosques (since adopting the title in 1986 to substitute for "His Majesty") and the Commander-in-Chief of the Saudi Armed Forces. He is one of the sons of the Kingdom's founder, and assumed power of the Kingdom on June 13, 1982 after the death of King Khalid Bin Abdul Aziz. Prior to his current appointment, King Fahd became Saudi Arabia's first Minister of Education in 1953; he was appointed Minister of Interior in 1962. He held this post until he became Crown Prince in 1975.¹

In actual practice, Crown Prince and First Vice Prime Minister Abdallah bin Abdul Aziz Al Saud (half-brother to the monarch and Crown Prince since 13 June 1982, has acted a regent since January 1996, and has steadily played a more leading role in shaping the country's security policy. All major policy decisions are normally made by a group of senior members of the royal family, however, and two other major princes play a critical role: Prince Sultan bin Abdul Aziz Al Saud, the Second Vice Prime Minister and the Minister of Defense and Civil Aviation, and Prince Nayif bin Abdul Aziz Al Saud, the Minister of Interior.

While Crown Prince Abdullah and his son Prince Mitiab bin Abdullah, the Assistant Vice Commander of for Military Affairs, control the National Guard, most actual decision-making affecting the regular armed forces is taken by the Minister of Defense. Prince Sultan bin Abdul Aziz Al Saud, has been the Minister of Defense and Aviation since 1962, and the Second Vice Prime Minister since 1982. Prior to these positions, Prince Sultan held numerous government posts including; Governor of Riyadh, Minister of Agriculture and Minister of Communications. Prince Sultan has now spent four decades shaping and modernizing Saudi Arabia's armed forces, has made most policy decisions

relating to military procurement, and has supervised the construction of modern military bases and cities throughout the Kingdom.² The Saudi National Guard is under a separate chain of command. Crown Prince Abdullah bin Abdul Aziz, the First Vice Prime Minister, has commanded the National Guard since 1963.

Prince Nayif has been the Minister of Interior since 1975. He effectively controls the General Security Services (internal intelligence services), the Public Security Administration Forces (the police), the Civil Defense Forces (fire service), the Border Guard, the Coast Guard, the Passport & Immigration Division, the Mujahadeen Forces, the Drug Enforcement Forces, the Special Security Forces, and the General Investigative Bureau. Like the other senior princes, Prince Nayif has held prior gubernatorial and ministerial posts such as: Governor of Riyadh, Vice Minister of Interior, and Minister of State for Security Affairs.

Saudi Arabia has a number of intelligence services, and the three leading princes who hold government positions have their own intelligence support (Crown Prince Abdullah: National Guard Intelligence Directorate; Prince Sultan: Military Intelligence which is comprised of officers from the four major branches of the armed services; Prince Nayef: General Security Service, the domestic intelligence service). The most important intelligence service is that formerly controlled by the Prince Turki Al Faisal, who was appointed Director-General of the General Intelligence Directorate by King Khalid bin Abdul Aziz in 1977. He held this position until he was replaced by Prince Nawaf bin Abdul Aziz on September 1, 2001. This service has been renamed "The General Intelligence Presidency" during Prince Nawwaf's tenure. The service focuses on external intelligence matters affecting Saudi Arabia and its mission is to gain a better understanding of the relationship between extremist groups in Saudi Arabia and the flow of currency both within the Kingdom and beyond its borders.³

The Importance of Consensus and Consultation

While these royal chains of command divide the control of the Saudi security apparatus by senior prince, it is important to understand that the senior leaders of the royal family normally operate by a consensus reached at a number of levels. It is rare for any major decision not to be discussed informally by the most senior princes. This discussion generally includes consultation and advice from all of the relevant princes at the Ministerial level, supported by a mix of outside advisors and technocrats within the key security Ministries.

Interviews indicate that there is nothing rigid about this process, and that senior Ministers can act quickly and with minimal amounts of technical advice. Such actions are rare, however, and the senior princes often staff their decision making process with analyses of options, budget implications, and advice on the internal political, social, and religious impact of their decisions.

The lack of clear and well established procedures for collective planning and review does, however, present problems in terms of analyzing the effectiveness and cost of given decision and options. This is particularly true when decisions cut across the lines of responsibility from one senior prince to another, and when they are not part of the normal flow of annual decision making. Coordination between planning, policy, and budget decisions for the regular armed forces, National Guard, internal security services, and

intelligence branches is tenuous at best. These problems are compounded by the fact that other princes act as governors and play a major role in shaping internal security at the regional level, while dealing with Islamic extremism involves a wide range of other ministries and religious leaders.

It is unclear, however, that the end result is really any better informed in terms of realistic inputs than the more formal and highly structured processes common in the West – which often produce little more than a morass of lowest common denominator bureaucratic “wisdom” and supporting statistical illusions.

The Saudi Paramilitary and Internal Security Apparatus

In any case, Saudi Arabia’s military forces are only one aspect of its security apparatus, and are not the most important aspect at a time the Kingdom faces a major threat from terrorism and Islamic extremism. Saudi Arabia has long struggled with internal and external extremist movements. In fact, the Saudi monarchy has had to deal with a long series of internal challenges from Islamic extremists since the time of the Ikhwan in the 1920s, as well as from more secular movements supported by other Arab states. These struggles were particularly serious during the peak of Nasserism and Pan Arabism in the 1950s, and the first major Islamic backlash from oil wealth and modernization in the late 1970s.

The Evolving Saudi Internal Security Challenge

They died down during the period from 1974-1990, largely because of the Kingdom’s oil wealth, rapid growth, and a focus on internal development. They have been a resurgent problem since the Gulf War, however, because of the rise of new movements like Al Qaida and conservative Wahhabi hostility to a US and Western military presence on Saudi soil. After the mid-1990s, the Saudi government increasingly came under direct and indirect attack by such Islamic extremist groups. As a result, the Saudi government slowly strengthened its internal security and counterterrorist programs. It also cooperated with the US in a number of cases, including Al Khobar, the attack on the Saudi National Guard Headquarters, and the attack on the USS Cole.

Saudi Internal Security Before “9/11”

The Saudi reaction to this resurgence, however, was relatively low key until the events of “9/11”. The Kingdom quietly put pressure on the Saudi Ulema. It arrested a wide range of extremists, and publicly condemned terrorism. It exploited the fact that the Saudi clergy is paid by the government, and there are no Madrassas in Saudi Arabia that provide religious education that are separate from the state educational system.

It also used a part of its security apparatus that has no clear Western counterpart. The Saudi Ministry of Islamic Affairs is organized for the purpose of religious administration, but it has always had an internal security element as well, and has been used to provide both carrots and sticks for internal security purposes. In fact, the Ministry was created after the Gulf War, when it became apparent that many hard-line Islamists opposed any Western presence on Saudi soil, and was slowly stepped up in the 1990s when Islamic

extremists became more active.

The Ministry of Interior and the General Intelligence Presidency also took steps to strengthen their counterterrorist and security operations, particularly after Osama Bin Laden emerged as an open opponent of the monarchy. The security services stepped up their monitoring of the activities of hard-line Saudi opposition groups overseas that attacked the government, exploiting divisions within them, co-opting or bribing elements within them, and putting pressure on foreign governments to end their activities.

Problems in Saudi Internal Security

Yet, Saudi intelligence and diplomacy failed to assess just how rapidly the threat was growing and to deal effectively with Al Qaida and Bin Laden in Afghanistan, and the security services failed to monitor the degree to which Saudis and Saudi money became involved in supporting Al Qaida and other extremist causes in Central Asia, Pakistan, Germany, and elsewhere.

To deal with Bin Laden, Al Qaida, and Islamic extremism from the mid-1990s onwards, the Saudi government continued to tolerate problems and ultra-conservative forms of Wahhabi and Islamist teaching and text books in its educational system that encourages extremism. The Saudi government was generally careful to monitor the activities of Islamic groups that directly criticize the Saudi government and royal family, but failed to monitor the flow of money to causes and groups outside the Kingdom with anything like the care and depth required until September 11, 2001 and was then slow to correct the situation.

It failed to properly track young Saudis who became involved with extremist movements outside the Kingdom. It continued to provide funds and support for Wahhabi and other ultraconservative movements and activities outside Saudi Arabia that encouraged violence and extremism, and failed to properly distinguish between support of legitimate Islamic causes and charities and involvement with violent movements.

These failures were compounded by other actions that affected internal security. The government tolerated sermons, teaching, and textbooks with a strong xenophobic character—sometimes attacking Christians, Jews and other religions—as long as they did not attack specific political targets in Saudi Arabia or call for specific violent actions. It made relatively little effort to monitor the activities of “Islamic” groups in secondary schools and colleges if they did not directly oppose the monarchy, and made far too little effort to evaluate what Saudi and many foreign contract teachers were actually teaching their students.

The government did not oppose foreign and domestic efforts to raise money and obtain support for “pro-Islamic” movements in Bosnia, Kosovo, Afghanistan, and Central Asia even when these represented extreme and sometimes violent causes. Little or no effort was made to monitor the extent to which foreign “charities” raised money for political movements in Europe, the Middle East, and Asia, that were far more extreme (and sometimes violent) than would have been tolerated in Saudi Arabia. The government turned a blind eye to the flow of funds to movements like Hamas that mixed charitable activity with terrorist activities in Israel.

Saudi Arabia's deep concern with religion and charity, and lack of an income tax compounded its problems. Islam calls for all those who can to give a religious donation of roughly 2.5% of their income – called Zakat – to charity. It also calls for those with land to give as much as 5% to 10%, depending on the quality of their land. The fact there is no Saudi income tax and Saudi Arabia is still a highly patriarchal, tribal, and clan oriented society, dependent on personal patronage and charity, makes Saudi Arabia a nation that places a heavy reliance on voluntary Islamic charity. As a result, large amounts of money have flowed out of the Kingdom from the senior leadership and wealthy businessmen to groups and causes that would never have received the money if those asking for it had received even cursory review of what they were actually doing and saying. They also often left the task of allocating funds to junior staff that either cared nothing about where the money actually went or had far too little political sophistication to evaluate the groups asking for money.

Extremists and terrorists learned to exploit this situation, using formal charities or personal requests for charitable aid to obtain money they would never have gotten if they announced their real purpose in seeking funds. At the same time, some real charities had a strong political orientation and often supported extremist movements and some donors knowingly gave money to “charities” that were extremist fronts. This was particularly true in the case of money going to Palestinian causes, after the beginning of the Second Intifada in the fall of 2000. Most Saudis saw Israel as an occupying nation constantly using excessive force against Palestinian freedom fighters – virtually the opposite image from Americans who saw them as terrorists. The end result was that massive amounts of money flowed out to extremists, and sometimes-terrorist movements, through sheer negligence, fraud, or under the guise of charity.

In retrospect, both the Ministry of Interior and the General Intelligence Presidency failed to pay attention to the “youth explosion” caused by Saudi Arabia's high birth rate. They were slow to monitor the movement and activities of young Saudis outside the Kingdom, and to closely examine those Saudis that became involved in paramilitary training and movements in Afghanistan, Bosnia, Kosovo, and Chechnya.

Saudi Internal Security After “9/11”

The priority for Saudi internal security activity changed radically after the attacks on the World Trade Center and the Pentagon, although the Saudi government initially did more politically than it did to strengthen the operations of the Saudi security apparatus. Senior members of the Saudi royal family immediately expressed their sympathy for the US after September 11th, and condemned the terrorist attacks on the US after the strikes on the World Trade Center and the Pentagon.

The Saudi government issued a statement condemning the "regrettable and inhuman bombings and attacks" which took place at the World Trade Center in Manhattan, New York, and the Pentagon building in Washington DC, and strongly condemned such acts, “which contravene all religious values and human civilized concepts; and extended sincere condolences to the families of the victims, to U.S. President George W. Bush and to the U.S. people in general.” The Saudi statement reiterated the Kingdom's position condemning all forms of terrorism, and its ongoing cooperation with the international community to combat it.

The Saudi Foreign Minister attacked terrorism in more depth in an interview in Okaz on September 16, 2001. The Minister of Interior made similar statements on September 23rd. Saudi Arabia strongly condemned the terrorism Organization of the Islamic Conference meeting on October 11th, and Minister of Foreign Affairs Prince Saud Al-Faisal issued a separate statement stressing that that terrorism harmed the Islamic world and just Islamic causes. He also stated that terrorist acts have, for example, never advanced the Palestinian cause.

Senior Saudi religious and legal figures condemned the attacks with equal speed. The Chairman of the Supreme Judicial Council, Sheikh Salih Al-Luheidan, stated on September 14th that “As a human community we must be vigilant and careful to oppose these pernicious and shameless evils, which are not justified by any sane logic, nor by the religion of Islam.” Sheikh Abdulaziz Al-Sheikh, the Chairman of the Senior Ulema and the Mufti of Saudi Arabia, reemphasized Sheikh Al-Luheidan’s statements on September 15th, stating that, “The recent developments in the United States constitute a form of injustice that is not tolerated by Islam, which views them as gross crimes and sinful acts.” Since that time, leading Saudi officials and clerics have repeatedly condemned the attack on the World Trade Center and the Pentagon, and other terrorist activities.⁴

What Saudi Arabia was slow to understand, until major terrorist attacks began to occur on Saudi soil in May 2003, was that Saudi Arabia faced truly serious internal security issues as well. Although some 70,000-100,000 young men in the Arab and Islamic worlds had flowed through various training camps following the Soviet invasion of Afghanistan, and somewhere between 15,000 and 25,000 Saudis had been overseas in various training camps and Islamist extremist indoctrination centers over the years, the apparent lack of a significant number of cells and the comparatively low levels of activity in Saudi Arabia, led the Kingdom to focus on such terrorism more in terms of external than internal threats.

It was slow to understand that its security apparatus had to play a much more serious role in dealing with terrorism both in the Kingdom and outside. The fact that so many young Saudis were directly involved in “9/11,” as well as in the overall membership of Osama Bin Laden’s Al Qaida, reflected the fact that Saudi security efforts still had major weaknesses. Saudi Arabia had failed to come firmly to grips with its Islamic extremists at many levels.

One key problem was that the Saudi intelligence community relied too much on human and signals intelligence. It was particularly weak in dealing with the financial aspects of intelligence and internal security, which helps explain why it failed to properly monitor of the flow of money to Saudi charities, religious organizations, and individuals in financing extremist groups – other than those that posed a direct threat to the rule of the Saudi royal family.

In fairness, such monitoring is not easy. Saudi banking rules are relatively strict in terms of tracking and identifying individual accounts, but little effort was made before September 11th to track the flow of money inside or outside the country to extremist causes and factions. It should be noted however, that Saudi organizations and individuals have hundreds of billions of dollars of privately held money in Western and other foreign banks. Effective surveillance of such holdings is difficult, if not impossible. The problem

is further compounded by easy access to the financial institutions of other GCC countries, like the UAE. Many Gulf countries have financial institutions that make cash transfers extremely easy, which tolerate high levels of money laundering, smuggling, and narcotrafficking, and which have often been far more careless in allowing the flow of money to extremist causes than Saudi Arabia. The leaders and citizens of countries like Kuwait and the UAE have also been as careless in their donations to “charities” as Saudis.

Saudi Arabia also failed to deal adequately with the internal security impact of events taking place outside the Kingdom. The General Intelligence Presidency discovered after the National Guard and Al Khobar bombings of 1995 and 1996 that approximately 8,000-15,000 young Saudi men had some kind of contact with Islamic extremist groups, Afghanis, and paramilitary training facilities between 1979 and the mid-1990s.⁵ While this represented a small fraction of young Saudi males, it was scarcely insignificant given the generally small size of Islamic extremist groups and terrorist cells in general.

It reflected the fact that Saudi intelligence and security services paid too little attention to the growing and highly visible ties between hard-line Pakistani extremists in the Pakistani ISI and religious schools, and the impact of Saudi-financed activities in Pakistan and Central Asia and the number of young Saudi men associated with Osama Bin Laden and Al Qaida. Discussions with Saudi officials indicate that they had surprisingly little understanding of the difference between legitimate Islamic organizations in Central Asia, China, and the Far East and highly political action groups that used Islam as an ideological weapon. They paid little attention to the fact that such groups were committed to the violent overthrow of governments in their region, which strongly opposed both modernization and reform, and which were broadly anti-Western in character. They also failed to monitor Wahhabi “missionary” and charity groups operating in Europe. Even though such “Wahhabi” groups showed little of the pragmatic tolerance and moderation common to mainstream Wahhabi practices in the Kingdom, they often took on an extremist character particularly in the United Kingdom and Germany.

The Saudi security services also failed to fully appreciate the threat posed by the flow of Saudi money to Palestinian groups like Hamas and Palestinian Islamic Jihad and other hard-line or violent Islamic elements in countries like Egypt.

The Impact of May 2003

As was the case in the US before September 2001, it was not until the threat of terrorism truly came home to Saudi Arabia that the Kingdom fully understood the seriousness of the threat and the nature of the challenges it faced. As the following chronology –which is adapted from work by the National Council on US-Arab Relations -- shows, Saudi Arabia should have seen what was coming. Nevertheless, it failed to do so until terrorists carried out a brutal attack on a housing compound in Riyadh on May 12, 2003.⁶

The attackers carried out four suicide bombings at an attack compound housing, with many Western residents resulting in 34 dead, including 7 Americans and 7 Saudis, plus 200 wounded. From that point onwards, Saudi Arabia found itself fighting a repeated series of terrorist attacks on its own soil, and having to deal with more terrorist cells with far larger stocks of arms and explosives, than it had estimated before the attacks took place.

It also found that it was dealing with serious infiltration problems, particularly across the Yemeni border.

- **May 29, 2004** - Attack in Khobar - Four gunmen attacked compounds housing oil workers in Khobar, Eastern Province, Saudi Arabia at about 7:30 a.m. (0430 GMT). Hostages were being held at one compound. Saudi officials said 16 people have been killed in the attacks. Al Qaeda has claimed responsibility.
- **May 27, 2004** - A top Al Qaida leader [Abdulaziz Al Muqrin] in Saudi Arabia issued a battle plan for an urban guerrilla war in the kingdom. Al Muqrin, gave a detailed list of steps militants should take to succeed in their violent campaign against the Saudi government.
- **May 20, 2004** - Saudi security forces today killed four terrorist suspects and injured another in a gunfight in Qasim Province. The security forces came under heavy fire from machineguns after locating five terrorist suspects in a rest house in Khudairah, a village in the area of Buraidah. One security officer was killed and two were injured in the incident. Weapons and ammunition were confiscated.
- **May 1, 2004 - Gunmen killed at least six people in an attack on a Western oil company office in the Red Sea city of Yanbu.**
- **April 29, 2004** - U.S. State Department's annual report, "Patterns of Global Terrorism - 2003," praised Saudi Arabia's commitment to the war against global terrorism, "I would cite Saudi Arabia as an excellent example of a nation increasingly focusing its political will to fight terrorism. Saudi Arabia has launched an aggressive, comprehensive, and unprecedented campaign to hunt down terrorists, uncover their plots, and cut off their sources of funding.."
- **April 24, 2004** - King Fahd characterized the April 21 attack as "the work of a deviant few who wanted to undermine the country, terrorize peaceful people and kill Muslims."
- **April 22, 2004** - Saudi Security forces killed five terror suspects, including two of the country's most wanted men, during raids.
- **April 22, 2004** - The Al Haramin (the holy sites) Brigades claimed responsibility on web sites for the April 21 Riyadh suicide bombing.
- **April 22, 2004** - Grand Mufti Abdul-Aziz al-Sheik, the kingdom's highest religious authority, condemned the attack "as one of the greatest sins" and said the attackers will be "burned in hell."
- **April 21, 2004 - Terrorists launched a suicide car bomb attack April 21, 2004 against Saudi Arabian government buildings in Riyadh. Five people were killed and over 150 were wounded in the attack.**
- **April 19, 2004** - Saudi security forces seized two vehicles loaded with explosives north of Riyadh. Three other explosive laden vehicles were seized in the last two days, one of which has been sought since February.
- **April 18, 2004** - Eight terror suspects linked to violent clashes with security forces in the capital are arrested. Three large vehicle bombs — each with over a ton of explosives on board — are defused.
- **April 15, 2004** - Evacuation is ordered for most U.S. diplomats in Saudi Arabia - "The United States [Apr. 15] ordered the evacuation of most U.S. diplomats and all U.S. family dependents from Saudi Arabia, and "strongly urged" all American citizens to leave because of "credible and specific" intelligence about terrorist attacks planned against U.S. and other Western targets, the State Department announced.
- **April 13, 2004** - Four policemen are killed by machine-gun fire in two attacks on the road linking Riyadh and Qassim. The first of two explosive-laden cars is discovered. Gunmen open fire at officers at a checkpoint on the road to Qassim. Police defuse two car bombs and seize a third car loaded with arms.

- **April 12, 2004** - A member of the security forces is killed and a terrorist gunned down during a clash in eastern Riyadh .
- **April 8, 2004** - Al-Qaeda chief in Saudi Arabia vows to eject U.S. from Arabian Peninsula.
- **April 5, 2004** - Saudi security forces shot dead a suspected militant and wounded another during a car chase in eastern Riyadh neighborhood.
- **March 24, 2004** - J. Cofer Black, Coordinator for Counterterrorism, U.S. State Department, testified to Congress, "The Saudis are a key ally in the Global War On Terror. Their performance has not been flawless, and they have a large task before them, but we see clear evidence of the seriousness of purpose and the commitment of the leadership of the Kingdom to this fight.."
- **March 24, 2004** - Juan C. Zarate, Deputy Assistant Secretary, Executive Office for Terrorist Financing & Financial Crimes, U.S. Department of the Treasury, testified to Congress, "the targeting actions and systemic reforms undertaken by the Kingdom of Saudi Arabia clearly demonstrate its commitment to work with us and the international community to combat the global threat of terrorist financing... "
- **March 24, 2004** - Thomas J. Harrington, Deputy Assistant Director, Counterterrorism Division, Federal Bureau of Investigation, testified to Congress, "The Kingdom of Saudi Arabia is an important partner in this international effort and has taken significant steps to deter global terrorism.. ."
- **March 19, 2004** - U.S. Secretary of State Powell meets Saudi officials in Riyadh, tells press US and Saudi Arabia are united in war on terror.
- **March 15, 2004** - Two of Saudi Arabia's most wanted terror suspects were shot dead in a shootout with police forces.
- **February 28, 2004** - Royal decree to establish the Saudi National Commission for Relief and Charity Work abroad to ensure that terrorist organizations do not misuse Saudi donations for humanitarian projects worldwide.
- **February 16, 2004** - British Airways has canceled [Feb 16] flight from London to Riyadh, for 'security reasons.'
- **February 14, 2004** - Saudi Arabia's Interior Ministry offers SR7 million reward for information leading to the recovery of a GMC Suburban loaded with explosives.
- **February 13, 2004** - The Interior Ministry warns residents in the capital against a possible terrorist attack. It says that a car laden with explosives registered to a wanted suspect could be used in the attack.
- **January 22, 2004** - US Treasury Secretary John W. Snow told a Washington news conference, "The United States and Saudi Arabia share a deep commitment to fighting the spread of terrorism in all its forms.. ..Like the United States , the Saudis have been victims of al-Qaida. They are an important partner in the war on terrorist financing, and have taken important and welcome steps to fight terrorist financing."
- **January 3, 2004** - Brig. Gen. Hadi Mabjer Al-Sahli, chairman of the military council at the border guards command in the Jizan region was found shot dead in front of his house.
- **December 30, 2003** - One of the Kingdom's most wanted terror suspects [Mansour ibn Muhammad Faqeeh] surrendered to security authorities.
- A western diplomat said terrorists are targeting Saudi Arabian security organs after an attempt to kill a senior security official in Riyadh.
- **December 18, 2003** - Deputy Secretary of State Richard Armitage told a television interviewer, "..the Saudis have been going after these terrorists and trying to tear them out, root and branch.."

..the Government of Saudi Arabia has been terrific, particularly since May 12th and their Riyadh bombing."

- **December 17, 2003** - The United States has said it will allow its non-essential diplomats to leave Saudi Arabia due to increased security concerns.
- **December 8, 2003** - One of the Kingdom's most wanted terrorists was killed and another arrested following a shootout with security forces in Al-Suwaidy in south Riyadh.
- **December 7, 2003** - Security forces arrest 25 suspects in connection with the May 12 bombings in Riyadh .
- **December 6, 2003** - Saudi officials release a list of 26 wanted terrorist suspects.
- **December 4, 2003** - Brigadier General Abdulaziz al-Huwairini escaped an assassination attempt in Riyadh. Attack later claimed as the work of the "Two Holy Mosques Brigade." The group declared in a statement that 'since our brothers in al-Qaeda are busy fighting the crusaders, we took it upon ourselves to cleanse the land of the two holy mosques of the crusaders' agents' - a reference to the Saudi government.
- **December 2, 2003** - A U.S. Embassy warning was issued to the 37,000 U.S. citizens living in Saudi Arabia, saying that compounds housing Westerners had come under surveillance by terrorists, indicating the possibility of another attack.
- **December 1, 2003** - The UK Foreign and Commonwealth Office has advised British nationals against all but essential travel to Saudi Arabia.
- **November 25, 2003** - Security forces arrest at least 10 terrorists in various parts of the Kingdom including one described as "very dangerous." Some are linked to Al-Qaeda.
- **November 10, 2003** - Saudi Arabia's Progress in the War on Terrorism - Saudi Embassy releases detailed report on actions to combat terrorists. including: Actions to Counter Terrorism ;
- **November 8, 2003 - Riyadh - Suicide bomb attack against residential compound believed to be by Al Qaeda members.** Preliminary casualty figures: 11 dead, 122 injured.
- **November 7, 2003** - Saudi security forces encircled two terrorists in Riyadh. The terrorists shot at the security forces and committed suicide by blowing themselves up.
- **November 7, 2003** - The United States warns of terrorist strikes in the Kingdom.
- **November 3, 2003** - Saudi police arrested six suspected Al-Qaeda militants after a shootout in the holy city of Makkah in Saudi Arabia. The raid on an apartment triggered a shootout that left two suspected terrorists dead, and one security officer wounded. Officers also seized a large cache of weapons they believe were stockpiled for attacks during the Muslim holy month of Ramadan. The militants had rented the apartment for just the month of Ramadan.
- **November 2, 2003** - US Defense Secretary Donald Rumsfeld, "The Saudi government, particularly since they were attacked some weeks and months ago, has been very aggressive, more aggressive than ever in the past."
- **October 20, 2003** - Saudi security forces raided several terrorist cells in various parts of the country, including the city of Riyadh, the Al-Majma'a District in Riyadh Province, Makkah Province, the Jeddah District of Makkah Province, and Qasim Province. Security forces confiscated items including C4 plastic explosives, home-made bombs, gas masks, and large quantities of assault rifles and ammunition.
- **October 8, 2003** - Security forces raided a farm in the northern Muleda area of Qasim Province and were able to arrest a suspect. Three other suspects fled the scene. Two security officers suffered injuries. Security forces found large amounts of material to make explosives and light weaponry in the farm where the suspects had been hiding.

- **October 5, 2003** - Security forces arrested three suspects during a raid in the desert to the east of Riyadh.
- **September 23, 2003** - Security forces surrounded a group of suspected terrorists in an apartment in the city of Jizan on September 23, 2003. During a gun battle, one security officer was killed and four officers injured. Two suspects were arrested and one suspect was killed. The suspects were armed with machine guns and pistols and a large quantity of ammunition.
- **September 17, 2003** - US Treasury Secretary John W. Snow met with officials in Saudi Arabia and noted, "... we discussed our outstanding progress working together on the fight against terrorist financing. Saudi Arabia has been a strong ally to the United States in this essential matter. Their close oversight of charities to guard against money laundering and terrorist financing sets an example to all countries engaged in the war against terror..."
- **August 29, 2003** - US Attorney General John Ashcroft commended Saudi Arabia's efforts in the war on terrorism and stated: "I believe that progress is being made and I think not only that it (cooperation) is good but it continues to improve."
- **August 26, 2003** - Saudi Arabia and the United States are to create a joint task force aimed at combating the funding of extremist groups in the country.
- **August 13, 2003** - Security personnel arrest five terrorists after four policemen and a militant were killed in a shootout in Riyadh two days earlier.
- **August 2003** - The Council of Ministers approved new money-laundering and terror financing laws that include harsh penalties for the crime of money laundering and terror financing.
- **August 2003** - Saudi Arabia and the United States established a second joint task force in August 2003, this one aimed at combating the financing of terror. The task force was initiated by Crown Prince Abdullah.
- **July 28, 2003** - Saudi security forces killed on July 28 six terrorist suspects and injured one in a gunfight at a farm in Qasim Province, 220 miles north of the capital, Riyadh.
- **July 25, 2003** - Three men were arrested on July 25 at a checkpoint in Makkah for possessing printed material that included a "religious edict" in support of terrorist acts against Western targets.
- **July 21, 2003** - Saudi authorities defused terrorist operations which were about to be carried out against vital installations and arrested 16 members of a number of terrorist cells after searching their hideouts in farms and houses in Riyadh Province, Qasim Province and the Eastern Province.
- **July 3, 2003** - Turki Nasser Mishaal Aldandany, a top Al-Qaeda operative and mastermind of the May 12 bombings, was killed on July 3 along with three other suspects in a gun battle with security forces that had them surrounded.
- **July 1, 2003** - President Bush commented on US-Saudi cooperation in the war on terrorism, "America and Saudi Arabia face a common terrorist threat, and we appreciate the strong, continuing efforts of the Saudi government in fighting that threat."
- **June 27, 2003** - One of the men wanted in connection with the May 12 bombings, Ali Abdul Rahman Saeed Al-Faqaasi Al-Ghamdi, surrenders.
- **June 20, 2003** - Security forces in Makkah arrest four Saudi women after raiding a flat rented by a suspected terrorist.
- **June 14, 2003** - Saudi security raided a terrorist cell on June 14 in the Alattas building in the Khalidiya neighborhood of Makkah. Two Saudi police officers and five suspects were killed in a shootout. Twelve suspects were arrested, and a number of booby-trapped Qur'ans and 72 home-made bombs, in addition to weapons, ammunition, and masks were confiscated.

- **June 7, 2003** - Saudi Arabia identifies 12 suicide bombers responsible for attacks on three Riyadh compounds and says 10 suspects are still at large. Interior Minister Prince Nayef says 25 people have been arrested.
- **May 31, 2003** - Yousif Salih Fahad Al-Ayeeri, a.k.a. Swift Sword, a major Al-Qaeda operational planner and fundraiser, was killed on May 31 while fleeing from a security patrol.
- **May 28, 2003** - Eleven suspects were taken into custody on May 27 and May 28 in the city of Madinah. Weapons, false identity cards and bomb-making materials were confiscated. In addition, Saudi national Abdulmonim Ali Mahfouz Al-Ghamdi was arrested, following a car chase. Three non-Saudi women without identity cards, who were in the car he was driving, were detained.
- **May 13, 2003** - Crown Prince Abdullah, deputy premier and commander of the National Guard says the Saudi government and people will not be deterred by Monday's terror attacks in Riyadh, "We will fight terrorism together...These messages, which do not require any interpretation, provide clear evidence that the fate of those murderers is damnation on earth and the fury of Hell in the thereafter.."
- **May 12, 2003 - Riyadh - Bombers attack compound housing mostly Western residents resulting in 35 dead, including 10 Americans and 7 Saudis, 200 wounded. Nine attackers among the dead, six believed to be captured.**
- **May 2003** - Saudi Arabia asked the Al-Haramain Islamic Foundation and all Saudi charities to suspend activities outside Saudi Arabia until mechanisms are in place to adequately monitor and control funds so they cannot be misdirected for illegal purposes.
- **May 2003** - SAMA instructed all banks and financial institutions in the Kingdom to stop all financial transfers by Saudi charities to any accounts outside the Kingdom.
- **February 2003** - The Saudi Arabian Monetary Agency (SAMA) began to implement a major technical program to train judges and investigators on legal matters involving terrorism financing and money-laundering methods, international requirements for financial secrecy, and methods followed by criminals to exchange information.
- **March 2002** - The U.S. Treasury Department and Saudi Arabia blocked the accounts of the Somalia and Bosnia branches of the Al-Haramain Islamic Foundation.
- **May 2, 2001** - Khobar - Letter bomb injures American doctor.
- **December 15, 2000** - Khobar - Bomb left on car windshield severely injures British citizen.
- **November 22, 2000** - Riyadh - A bomb explodes in a car wounding two men and a woman.
- **November 17, 2000** - Riyadh - A car bomb killed Christopher Rodway and wounded his wife.
- **June 25, 1996 - Khobar - Truck containing about 5000 pounds of explosives targeted against US military dormitory results in 19 dead and about 500 wounded. Perpetrators escaped, later indicted by U.S.**
- **November 13, 1995 - Riyadh - The U.S. Office of the Personnel Manager, Saudi Arabian National Guard (OPM/SANG) -- American training mission -- was attacked by a car bomb in a parking lot. Six killed, including five Americans, and 60 injured. The "Tigers of the Gulf," "Islamist Movement for Change," and "Fighting Advocates of God" claim responsibility. Saudi authorities arrested and executed perpetrators.**
- **1994** - Osama bin Laden stripped of Saudi citizenship.
- **July 1989**, two bombs exploded in the vicinity of Mecca's Grand Mosque. The following September, the Saudis executed 16 Kuwaiti Shi'is for their part in the explosions.

- **1988 and 1989**, a previously unknown group called Saudi Hezbollah claimed credit for a series of terrorist attacks on petrochemical installations and the assassination of Saudi diplomats abroad (in Ankara, Bangkok, and Karachi).
- **November 20, 1979 Grand Mosque Seizure:** Surprising many who believed fundamentalism was not a strong force in Saudi Arabia, Sunni Islamic dissidents seized control of the Grand Mosque at Mecca, one of the holiest sites in Islam. The (200) armed dissidents charged that the Al Saud regime had lost its legitimacy due to corruption and its closer ties to Western nations. The standoff lasted for several weeks before the Saudi military succeeded in removing the dissidents. More than 200 troops and dissidents were killed at the mosque, and subsequently over 60 dissidents were publicly beheaded.

Saudi Arabia's intelligence community is now making a major effort to track the activities of Saudi religious and charitable groups inside and outside the Kingdom, and is now giving special attention to Pakistan and Central Asia. It is tightening security inside the Kingdom, and surveillance over young men with ties to extremist groups, as was surveillance and over religious figures that made hard-line or extremist statements. Surveillance has also been increased over the activities of religious schools and teachers.

Saudi Arabia also failed to address another area of internal security that is not normally seen as part of the security apparatus but which certainly affects its operations. The level of corruption in Saudi Arabia is often exaggerated and used to make broad, undocumented charges against the government and royal family. Corruption is, however, a very real problem. Exaggerated perceptions of corruption can be as important as reality.

Saudi Arabia has been slow to reform civil law and regulation to create the legal basis for large-scale private and foreign investment and commercial operations that can be based on secure rights to property, conducting business without interference or reliance on agents, and revolving commercial disputes. There has been progress in these areas, but there has not been enough and Saudi security is growing increasingly dependent on the broad public and international perception that Saudi Arabia will reign in corruption, that members of the royal family and senior officials cannot intervene improperly in business affairs, and that investments and business activities are safe.

One threat seems to have diminished. Saudi Arabia had also had serious problems with Iranian intelligence agents and covert support of Shi'ite extremists after the fall of the Shah in 1979 until it reached an accommodation with the Iranian government in the late 1990s. Weapons and explosives were intercepted in the Eastern Province and there were numerous small acts of sabotage related to Iranian-sponsored activities. Iran trained a number of Saudi Shi'ites in low intensity warfare and covert operations in Iran and Lebanon, and regularly disrupted the Haj to make political protests.

Saudi intelligence estimates have clearly linked Iran's Revolutionary Guard and certain officers of Iran's Ministry of Intelligence with the Al Khobar bombing. Iranian activity seems to have sharply diminished since the uncovering of the major covert Iranian networks operating in the Eastern Province, but Saudi intelligence officials note that Iran still attempts to maintain a significant intelligence presence in the Kingdom, and still provides political, paramilitary, and religious training for at least some Saudi Shi'ites. However, due to the new capabilities of the Saudi counter-intelligence and counter-terrorism forces, it is proving more difficult for Iranian informants and operatives to establish new networks within the Kingdom.

The Saudi Security Apparatus That Deals with These Challenges.

Saudi Arabia's security apparatus now deals with these issues using a complex mix of paramilitary and internal security forces, and an equally complex legal system for dealing with civil and security cases. This is a truly massive effort. Our sources estimate the total internal security budget for 2003 to have topped at \$7 billion (including security and intelligence), with a virtually open-ended capability to spend on any internal security purpose.

As has already been noted, a number of civil ministries like the Ministry of Islamic Affairs and Guidance play at least an indirect role in internal security because of their political impact. Others include the Ministry of Foreign Affairs; the Ministry of Communications; the Ministry of Finance; the Ministry of Culture and Information; the Ministry of Education; Ministry of Higher Education; Ministry of Justice; the Ministry of Petroleum and Mineral Resources; and the Ministry of Pilgrimage and Islamic Trusts. This kind of indirect role in internal security is typical of similar ministries in virtually every country in the developing world, as well as a number of countries in Europe.

The formal Saudi security forces involve a mix of elements in the regular armed forces, and the National Guard, and a range of internal security and intelligence services most of which are under the Ministry of Interior. The regular army provides external security, but is kept away from urban areas. The National Guard provides internal security under a different chain of command using both its regular forces and elements from the National Guard loyal tribes. It protects the territory of the Kingdom and the approaches to its cities and critical facilities, acts as reinforcements for the regular forces, can serve as an urban security force in an emergency. It does, however, have an Intelligence Directorate that focuses on counterintelligence within the National Guard itself and plays a limited role in counterterrorism operations. As of yet, it has not foreign intelligence operations capability.

The Pivotal Role of the Ministry of Interior

The key to the Saudi security apparatus is, however, the Ministry of Interior. The internal security forces are centralized under Prince Nayif (Nayif) Bin Abdul Aziz, the Minister of Interior.⁷ Prince Nayif is a major political power in the Kingdom. He is one of the strongest figures in the Royal family and has long played a critical role in Saudi security. His Vice-Minister is Prince Ahmed bin Abdul Aziz, whose main function is to deal with the different provinces of the Kingdom; Prince Mohammed bin Nayif is the Assistant Minister for Security Affairs and handles all the uniformed services that fall under the Ministry of Interior.

There are two prevailing schools of thought prevailing in the Kingdom on Prince Nayif. Some Saudis feel he is conservative and has underestimated the Kingdom's security problems. They feel he was too slow to react to the growth of Islamic extremist movements outside the Kingdom, and the role the Kingdom played in supporting such movements with money and Saudi volunteers, and saw outside pressure from the US to crackdown on such activities as the result of exaggerated US fears that were at least partly the result of pressure from Israel. The other school of thought holds that he is the

nerve center of the complex security network in Saudi Arabia and hence he is the key actor in Saudi Arabia's ongoing war against terrorism and they give him the credit for all the successes in that war (hundreds of arrests of suspected militants, killing of senior al-Qaida figures, foiling of major bombings, and the uncovering of huge weapons and explosives caches).

The former view is given at least some support from Prince Nayif's own words. Since September 11, 2001, Prince Nayif has made several political statements implying that the attacks were the product of the Egyptian Moslem Brotherhood and/or Israel. For example, he made such statements in an interview with the Kuwaiti newspaper *Al Siyasa* on November 29, 2002. In fairness, Prince Nayif did so in a long interview stressing the need to crack down on terrorism, that the government was putting pressure on Saudi religious figures and mosques that the Kingdom has made numerous arrests, and that terrorism was fundamentally anti-Islamic. He was also reacting to a flood of poorly founded US and Western press criticism of Saudi Arabia, linked the possibility that the wife of the Saudi Ambassador to the US gave money to a family that *might* have been linked to terrorists.⁸

Nevertheless, other Saudis feel that Prince Nayif has reacted strongly and effectively to the increases in the Islamist threat to the Kingdom since the attacks of May 2003, and feel he is often quoted out of context. For example, Prince Nayif did say, "we put big question marks and ask who committed to the events of September 11 and who benefited from them. Who benefited from the event of September 11? I think they (the Zionists) are behind these events." He expressed the view that it was "impossible" that Al Qaida alone, or that 19 youths of which 17 were Saudi, could have acted alone. He then went on to attack the Moslem Brotherhood by saying "All our problems come from the Moslem brotherhood. We have given too much support to this group...The Muslim Brotherhood has destroyed the Arab world." He attacked a multinational spectrum of Islamic Politicians for turning their backs on Saudi Arabia, forgetting the favors it had given them, and launching attacks on the Kingdom. He singled out Hassan Al Turabi of the Sudan as a case in point. He also mentioned Hamas, the Jordan's parliamentary opposition and the Islamic Action Front for their attacks on the Kingdom, and attacked Islamic scholars like Abdul Rahman Khalifa, Rashid Ghannouchi, Abdul Majeed Al-Zidani, and Necmettin Erbakan for supporting the Iraqi invasion of Kuwait. He stated there were no dormant Al Qaida cells remaining in Saudi Arabia and that this threat no longer existed.⁹

Prince Nayif and Prince Ahmad are reported to pay massive bonuses to successful security officers, but also have a reputation for honesty and using the massive security budget only for the mission and not to enrich themselves. And Prince Mohammed bin Nayif has also been very generous to the families of the fallen security officers who have died combating the terrorist networks in the Kingdom. This generosity has made the three senior figures extremely (Prince Nayif, Prince Ahmad and Prince Mohammed) extremely popular among the different services of the Ministry of Interior and other military forces.

Prince Ahmad, the Vice Minister, is the youngest full brother of the King. The Assistant Minister for Security Affairs is Prince Mohammad bin Nayif, Prince Nayif's son and the third ranking official in the Ministry. The Deputy positions include Dr. Ahmad Al Salem, the Deputy Minister of Interior who effectively runs the Ministry and is the fourth

ranking individual. The Deputy Minister for Security Affairs is General Ahmad Al Robayaan. He was formerly head of the Minister's Research & Studies Bureau, and effectively reports to Prince Mohammad bin Nayif. There are also a handful of special advisors with ministerial rank to Prince Nayif.

The Director Generals of the respective services administratively all report to the Minister and Vice Minister and are directly responsible to the Minister; operationally they are directly linked to the Assistant Minister for Security Affairs. They include the Director Generals of GSS (General Security Service), Civil Defense Administration, Public Security Administration (all police forces fall under this service and more importantly, the Special Emergency Forces, which have taken the lead in the domestic war against terrorism), General Directorate of Investigations, Passports & Immigration Department, Border Guards, Mujahideen, Coast Guard and the Special Security Forces. The security colleges fall under the Deputy Minister Dr. Ahmad Al Salem who runs the administration and management of the Ministry.

The Coast Guard, Civil Defense Administration, and the Border Guard are under one chain of command in the Ministry of the Interior. The Public Security Force, Special Security Forces, Mujahideen, and General Security Service (GSS) Director Generals are under a separate chain of command. These latter organizations provide internal security at the political and intelligence levels, security inside cities and deal with limited problems that require crowd control and SWAT like operations, and counter-terrorist capabilities. They also provide the Kingdom's primary counter-terrorist force and played a major role in dealing with the bombings of the SANG headquarters and the USAF barracks at Al Khobar.

The Police and Security Services

The police and security forces are still somewhat traditional in character, but have been steadily modernized. Over the past two years, under the strong leadership of Prince Mohamed bin Nayif, there has been a major reorganization and development of these forces financed by huge budget increases. Early in Saudi Arabia's history, there were no formal police and local and tribal authorities administered justice. During the reign of Abd al Aziz, more modern police, justice, and internal security organizations were developed. In 1950, He created a "general directorate" to supervise all police functions. He established the Ministry of Interior in 1951, which has since controlled police matters.

Saudi Arabia has received substantial technical advice from British, French, German, Jordanian, Pakistani, and US experts. Substantial numbers of British and French advisors served in Saudi Arabia in the past, including seconded ex-government and military personnel, but it is unclear how many have continued to serve since the early 1990s.

The police security forces are now divided into regular police (which fall under public security) and special investigative police of the General Security Service (GSS), which are called the *mubahith* (secret police). The GSS performs the domestic security and counterintelligence functions of the Ministry of Interior. The GSS has a large special investigation force, something like the British CID. The US State Department reports that political detainees arrested by the GSS are often held incommunicado in special prisons during the initial phase of an investigation, which may last weeks or months. The GSS allows the detainees only limited contact with their families or lawyers.

There are approximately 40,000 paramilitary policemen in the Public Security Police equipped with small arms and some automatic weapons. They are assigned to Provincial Governors, and are under the Minister of Interior. Public Security forces train at the King Fahd College for Security Studies located in Riyadh. The Public Security Police have a police college in Mecca. Police uniforms are similar to the khaki and olive drab worn by the army except for the distinctive red beret. Policemen usually wear side arms while on duty.

The Public Security's Special Emergency Forces have taken the lead in combating the al-Qaida networks in the Kingdom. They have similar specialized training as the Special Security Forces in counterterrorism and counterinsurgency operations. Because of their mobility, they act as a rapid deployment security force in case of an unexpected security threat. They number around 10,000 and are in the process of a large-scale modernization and development program. They operate basically as the defensive Special Security Force and anti-terrorist service of the Kingdom. The Special Security Force is the Saudi equivalent of a special weapons assault team (SWAT). It reports directly to the Minister of Interior but its operational head is the Assistant Minister for Security Affairs. It was organized in response to the poor performance of the National Guard during the revolt in 1979 at the Grand Mosque in Mecca. The force is equipped with light armored vehicles, automatic weapons, and nonlethal chemical weapons. Although it has 5,000 core personnel, its total strength is unclear because it varies according to the threat level. Its antiterrorism units have been steadily expanded since 1990. In the past few years, enormous sums have been spent to reorganize and modernize this force. It is designed to deal with terrorism and hijacking and has SWAT capabilities and detachments in every major Saudi city and province. Saudi Special Forces include a regular Army airborne brigade, a Royal Guard Brigade, and a Marine Regiment.

The public security forces are recruited from all areas of the country and maintain police directorates at provincial and local levels. These forces, particularly the centralized Public Security Police, can be reinforced by the National Guard in an emergency or can get support from the regular armed forces. The director general for public security retains responsibility for police units but, in practice, provincial governors exercise considerable autonomy.

The focus of police and security activity has also changed over the years. Saudi Arabia is now a highly urbanized society and these formal state institutions carry out most internal security and criminal justice activity in urban areas. This has helped drive the effort to modernize the police and security forces. For example, state of the art command and control systems have been acquired and deployed and new vehicles and radio communications equipment have enabled police directorates to operate sophisticated mobile units, particularly in the principal cities. The Special Security Forces and the Special Emergency Forces have acquired a sizable fleet of helicopters for use in urban areas and have been utilized against various terrorist cells operating in the Kingdom.

The Ministry of Interior now maintains arguably one of the most sophisticated centralized computer systems in the world at the National Information Center in Riyadh. This computer network, links some 1,100 terminals, and maintains records on citizens' identity numbers and passports, foreigners' residence and work permits, hajj visas, vehicle registrations, and criminal records. Reports from agents and from the large number of

informants employed by the security services are also entered. Officials of the GSS and GIP have authority to carry out wiretaps and mail surveillance. The Ministry of the Interior also has a large electronic intelligence operation with a separate budget that is estimated at over \$500 million per year.

Some security activities do, however, continue to be enforced on a tribal level in tribal areas. The King provides payments or subsidies to key Sheiks and they are largely in charge of tribal affairs. Offenses and many crimes are still punished by the responsible Sheik. The National Guard acts as a support force to deal with problems that cannot be settled or controlled by the tribal authorities.

The General Intelligence Presidency

Saudi Arabia's main foreign intelligence service is the General Intelligence Presidency (GIP). Among its many responsibilities it has a foreign security, anti-terrorism, foreign liaison functions, strategic analytical assessments, coordinating the foreign covert networks of the Kingdom, and ultimately foreign covert operations if need be. The President of the GIP reports directly to the Prime Minister (who is the King). Although the budget of the GIP is classified, it is usually estimated at a minimum of \$500 million per year. That would make it the most funded intelligence service in the Middle East.

In theory, the General Intelligence Directorate President is responsible for intelligence collection and analysis, and for the coordination of intelligence tasks and reporting by *all* intelligence agencies, including those of the Ministry of Interior, Ministry of Defense and Civil Aviation and the National Guard. Although in practice on the operational level there is no real Saudi intelligence "community," one is in the process of being formed so that the various services can function in a unified manner. Since 9/11, the senior Saudi leadership has realized that intelligence sharing -- or "fusion" -- is weak, coordination is poor, and the different services are filled with personal and bureaucratic rivalries and tensions. The problems are compounded by the fact that the research departments of the services --- especially those at the GIP -- are weak, and that in general Saudi intelligence collection relies too heavily on personal contacts and briefings, rather than systematic and structured analysis.

The formation of the Saudi intelligence community will be comprised of the GIP, GSS, the three intelligence branches of the military (Army, Navy, and Air Force), the National Guard Intelligence Directorate, the Interior Minister's Bureau of Analysis and Study, the Foreign Ministry's Information and Study Center, and the National Guard's Specialized Study Center.

Under Prince Turki Al Faisal's leadership, the GIP was successful in dealing with many internal and foreign threats that posed a direct threat to the Kingdom. It had a long history of cooperation with US intelligence although it has (along with its sister agency, the GSS) generally opposed any Western efforts to introduce law enforcement organizations like the CIA and FBI into Saudi security issues in ways that could embarrass the Saudi government. This led to acute tensions between the two main Saudi services and their American counterparts over the investigation like the Al Khobar bombing, and helped lead to the charges that the Saudi government covered up Iranian involvement in the bombing.

In fairness to Saudi Arabia, however, the US, Britain, and other Western countries have failed to cooperate with Saudi intelligence in a number of past cases because they felt that this might violate the rights of legitimate opposition movements or raise human rights issues. The US and other Western intelligence services also turned a blind eye, or at least tolerated, Islamic extremist activity when it seemed to serve their interests in Afghanistan and Bosnia, or acted as a counter balance to Russian influence in Central Asia and paid little attention to the potential threat posed by funds and manpower coming out of the Kingdom. If Saudi Arabia was slow to see the threat of extremism and terrorism and sometimes "exported" its problems, the US, Britain, and other European intelligence and security services made equally serious mistakes in monitoring and characterizing "Islamic" movements.

Major developments have taken place within the GIP since September 11th. The GIP had long been led by Prince Turki Al Faisal before he was replaced in 2001 by Crown Prince Abdullah's half-brother, Prince Nawwaf bin Abdul Aziz.¹⁰ This development was particularly striking because Prince Turki Al Faisal had spent some 30 years in intelligence and had built a solid reputation for professionalism and effectiveness. He began his career as deputy director in the Office of Foreign Liaison at the age of 23. Over the years, he reorganized and consolidated the office into a full-fledged intelligence service. He became Director of Intelligence in 1977 and it was at that time that the move toward a professional intelligence service began in earnest. Prince Turki had long been the main contact point for the US, British, French and other main Western and Arab services among others. He had also been responsible for dealing with operations in Afghanistan and Central Asia since the Soviet invasion in 1979. He had also been the main point of contact with the US-Saudi backed Mujahideen and the Pakistani Inter-Services Intelligence (ISI) service, with the various warring Afghan factions after the Soviet withdrawal, and with the Taliban and Osama Bin Laden (along with other Arab Mujahideen).¹¹ He was considered by many inside Saudi Arabia as one of the Kingdom's leading strategic thinkers.

The Saudi explanation for the change was that Prince Turki had resigned "at his own request." There are many different rumors and interpretations of what happened, but regardless of the exact explanation, Prince Nawwaf has since had a stroke, and is regarded as little more than an ineffective figurehead. Without far stronger, more modern, and more independent leadership, the future of Saudi internal security will not be shaped by the leadership of the General Intelligence Presidency alone, but rather by the overall effectiveness of the government and the royal family in dealing with the broader mix of political, economic, social, and demographic issues that threaten Saudi Arabia's internal security. An important fact that has been missed by most foreign assessments is that the GIP, in its bylaws, does not have the right to make arrests, rather, it can track and monitor individuals in Saudi Arabia. At the same time, any recommendations for arrests are generally carried out by the General Security Service. Hence, its role is one of an early warning advisory system which, depending on the effectiveness of its head can be extremely influential in Saudi security planning, or irrelevant, as is the case today.

Saudi Arabia clearly needs to do more to expand and modernize some aspects of its intelligence operations. In the past, Saudi intelligence has tended to rely heavily on interpersonal relations and human intelligence (HUMINT), supplemented by limited

usage of surveillance equipment (SIGINT) and computerized records. It has worked closely with the major Western and Arab intelligence services in some areas, and has had access to more advanced imagery and signal intelligence through such sources. Saudi intelligence has not, however, established and organized the kind of sophisticated domestic and foreign surveillance networks necessary to provide adequate coverage of small, dispersed Islamic terrorist groups and individual movements. It has tended to rely on information from traditional elites, and to have limited data on urbanized Saudis and Saudi young males that become affiliated with extremist movements inside and especially outside of Saudi Arabia. Surveillance of financial transfers, charitable organizations, and activities like money laundering has been particularly weak, as no such body within the GIP was set up to deal with those issues.

Since the departure of Prince Turki, the GIP has become markedly less and effective. Most of the sophisticated networks that had been established over many years have deteriorated and hence the GIP's role in the global war on terrorism has been marginal at best. Thus, the Kingdom, which is at the center of this war, has been operating on only one truly professional security service, the GSS. To address this deficiency, Crown Prince Abdullah appointed Prince Faisal bin Abdullah bin Mohammed as the new Assistant President of the GIP. While this position is technically the number three slot, his power is far greater due to the incapacitation of Prince Nawwaf and the Vice President Prince Saud bin Fahd. Prince Faisal was a former Deputy Commander of the National Guard for the Western Region, and this experience, along with his personal dynamism, has led some to hope that he can save the GIP irrelevancy. This will be especially likely if he surrounds himself by a core group of capable new professional intelligence officers.

A weak Research and Analysis Department within the GIP also hobbles the organization and has made it incapable of meeting the intelligence requirements of the senior leadership in assessing and countering threats to the Kingdom. Considering the kingdom's vital strategic position in the international community, as well as its place at the center of the global war on terrorism, such deficiencies are particularly dangerous. In general, the weakness of the GIP is one of the critical national security problems facing Saudi Arabia.

Border and Coastal Security

Saudi Arabia has taken diplomatic steps to greatly reduce its problems and tensions with Iran and Yemen, and particularly to reduce Iranian efforts to exploit Saudi Arabia's problems with its Shi'ites and use the Haj as a propaganda forum. It has remarkably improved its monitoring of foreign nationals and ability to track their movements and activities. Nevertheless, Saudi Arabia faces major challenges in providing security for its borders and coastlines.

Smuggling is endemic, even across the Saudi border with Iraq. Saudi border guards arrested 777 smugglers crossing the border during 2001, and seized nearly three tons of hashish, more than 5,700 bottles of alcohol, more than 450 weapons, and 43,680 rounds of ammunition.¹² Since the fall of Saddam Hussein, smuggling across this border has dropped drastically. While Saudi Arabia does not announce the fact publicly, it regularly

had to deal with Iraqi patrols that crossed into Saudi territory, and it is now clear that some Iraqi intelligence officers had been operating in the Kingdom prior to the Iraq war.

Border and coastline control have long been an important aspect of security operations. The paramilitary Border Guard and Coastguard are security forces with dedicated missions that can perform light combat functions. The 15,000 man Border Guard covers Saudi Arabia's land and sea borders. It performs a host of patrol and surveillance missions, and can act as a light defensive screen. It is equipped with four-wheel drive vehicles and automatic weapons as well as a sizable fleet of helicopters. The Border Guard did much of the fighting with Yemen in the past, and took casualties in doing so. It still must deal with the problem of smuggling and infiltration across the Saudi border. The 7,500 men in the Coast Guard are primarily concerned with smuggling, but do have a limited internal security mission.¹³

It is virtually impossible, however, for Saudi Arabia to fully secure its Gulf or Red Sea coasts against smuggling and infiltration by small craft. Traffic in the Gulf and Red Sea is simply too high, the coasts are too long, and sensors cannot track movements by dhows and small craft. The Saudi navy, coastguard, and National Guard are able to provide adequate security screening for key ports, desalination facilities, and petroleum export facilities with roughly two weeks of warning. Coverage is generally very limited in peacetime. Some members of the Border Guards have been implicated in smuggling by sea, but this activity is severely punished and does not seem to be any more common than in other countries. Similar problems exist along the border with Yemen, although the border clashes that used to take place between Yemeni and Saudi security forces seem to have largely ended following the settlement of the Saudi-Yemeni border. The main problems are now smuggling and inter-tribal violence, which are still endemic. The Yemeni border has been the main source of the weapons and explosives used in the recent terrorist attacks against the Kingdom. This border is still the main conduit by which militants from Afghanistan enter the country. The Saudi borders with Kuwait, Bahrain, the UAE, and Oman are stable and secure except for smuggling. The movement of alcohol and narcotics is still a problem.

Saudi Arabia has considered major changes in its security apparatus to deal with these issues. As early as the 1990s, Saudi Arabia considered building a border surveillance system that would use patrol aircraft, remotely piloted vehicles, and early warning systems to detect intruders and border crossings. This would have involved a 12 kilometer-deep security zone around all 6,500 kilometers of the land and sea borders, with a mix of acoustic, seismic, radar, magnetic, and infrared sensors to detect movements of men and vehicles in the border area. It would have been supported by small manned patrol aircraft, and unmanned remotely piloted vehicles, wherever some threat from an intruder might exist. Thomson CSF completed a \$5 million feasibility study for this system in early 1990, and two consortiums—one led by E Systems and the other by Thomson CSF -- submitted bids to Saudi Arabia in May 1991. The system was not funded in part because of its cost, and in part because of the ease with which given sections could be penetrated before an effective response would be possible. Its estimated cost was around \$3 billion and it would have taken several years to complete.¹⁴

These problems are expected to be solved by the installation of a much more technically sophisticated system. The Ministry of Interior has approved a \$9.4 billion contract with

the French government to install an electronic defensive shield along this border in the fall of 2004.

Security and the Role of the Judicial System

The Saudi civil and criminal legal system is another aspect of the Saudi security apparatus. It has slowly been modernized, but presents problems both in terms of both efficient internal security operations and human rights. It is traditional, religious in character, and is based on Shari'a as interpreted by Islamic practice under the Wahhabi order, which adheres to the Hanbali School of the Sunni branch of Islam.

The Shari'a courts exercise jurisdiction over common criminal cases and civil suits regarding marriage, divorce, child custody, and inheritance. These courts base judgments largely on the Koran and on the Sunna, another Islamic text. Cases involving relatively small penalties are tried in Shari'a summary courts; more serious crimes are adjudicated in Shari'a courts of common pleas. Appeals from Shari'a courts are made to the courts of appeal. The Saudi government permits Shi'a Muslims to use their own legal tradition to adjudicate noncriminal cases within their community. Other civil proceedings, including those involving claims against the Government and enforcement of foreign judgments, are held before specialized administrative tribunals, such as the Commission for the Settlement of Labor Disputes and the Board of Grievances.¹⁵

The Judicial System and Internal Security

The judicial system works differently when it deals with internal security issues. The Saudi government is still deeply concerned about the security of the military forces – although there have been no recent cases of active opposition within either the regular military forces or the paramilitary and security forces. The military justice system has jurisdiction over uniformed personnel and civil servants that are charged with violations of military regulations. The King, the Crown Prince, and the Minister of Defense and Civil Aviation review the decisions of courts-martial and it is clear that serious cases get the direct attention of the senior leadership. Similarly, the Saudi government conducts closed trials for persons who may be political prisoners and in other cases has detained persons incommunicado for long periods while under investigation.

The US State Department reports that there are several bodies that perform higher legal review functions:

- The Supreme Judicial Council is not a court and may not reverse decisions made by a court of appeals. However, the Council may review lower court decisions and refer them back to the lower court for reconsideration. Only the Supreme Judicial Council may discipline or remove a judge. The King appoints the members of the Council.
- The Council of Senior Religious Scholars is an autonomous body of 20 senior religious jurists, including the Minister of Justice. It establishes the legal principles to guide lower-court judges in deciding cases.
- Provincial governors have the authority to exercise leniency and reduce a judge's sentence.

- The King reviews cases involving capital punishment. The King has the authority to commute death sentences and grant pardons, except for capital crimes committed against individuals. In such cases, he may request the victim's next of kin to pardon the murderer—usually in return for compensation from the family or the King.

The “Mutawwa’in” or Religious Police

Saudi Arabia has a religious police called the “Mutawwa’in,” which is a semi-autonomous force organized under the King in conjunction with the Islamic “clergy” or Ulema. It is known in English as the Organization to Prevent Vice and Promote Virtue or Committees for Public Morality and part of the government's Department of Virtue Propagation and Vice Prevention. It is primarily responsible for ensuring compliance with the precepts of Wahhabism, but performs some security functions in dealing with religious extremists.¹⁶ The Mutawwa’in enforce the public observances of religious practices, such as the closure of public establishments during prayer times. They have been known to exceed their authority with both Saudi and expatriate alike by undue harassment of both men and women in public places and the trespassing into private homes.

The Mutawaa’in have the authority to detain persons for no more than 24 hours for violations of the strict standards of proper dress and behavior. However, they sometimes exceed this limit before delivering detainees to the police. Current procedures require a police officer to accompany the Mutawaa’in at the time of an arrest. The Mutawaa’in generally comply with this requirement. In the more conservative Riyadh district, however, there are continuing reports received of Mutawaa’in accosting, abusing, arresting, and detaining persons alleged to have violated dress and behavior standards.

The State Department reports that,

Mutawaa'in practices and incidents of abuse varied widely in different regions of the country, but were most numerous in the central Nejd region. In certain areas, both the Mutawaa'in and religious vigilantes acting on their own harassed, assaulted, battered, arrested, and detained citizens and foreigners. The Government requires the Mutawaa'in to follow established procedures and to offer instruction in a polite manner; however, Mutawaa'in did not always comply with the requirements. The Government has not criticized publicly abuses by Mutawaa'in and religious vigilantes, but has sought to curtail these abuses.

It also reports that the Mutawaa'in enforce strict standards of social behavior, including the closing of commercial establishments during the five daily prayer observances, insisting upon compliance with strict norms of public dress, and dispersing gatherings of women in public places. The Mutawaa'in frequently reproach Saudi and foreign women for failure to observe strict dress codes, and arrested men and women found together who were not married or closely related. In November 1998, several Mutawaa'in attacked and killed an elderly Shi'a prayer leader in Hofuf for repeating the call to prayer twice (a traditional Shi'a practice). Mutawaa'in attempts to cover up the killing were unsuccessful. The State Department reports that the government reportedly investigated the incident; but does not make public the results of any investigations involving Mutawaa'in personnel.

The level of Mutawwa'in activity has varied over time, and is difficult to predict. The government appointed a new and more compliant leader of the religious police after a series of raids on rich and influential Saudis in 1990, but their power grew strikingly after the Gulf War, as Saudi traditionalists reacted to the presence of US and other Western forces, but seems to have peaked in the mid-1990s. The number of reports of harassment by the Mutawwa'in during the late 1990s remained relatively low in comparison with previous years, but the Mutawwa'in continues to intimidate, abuse, and detain citizens and foreigners of both sexes.

Some Saudi officials go so far as to describe the Mutawwa'in as a form of disguised unemployment for religious Saudis, and state it is sharply overstaffed in some areas. One senior Saudi official went so far as to refer to the Mutawwa'in in a "religious labor union more interested in their benefits than anything else." Other Saudis are more divided in their reaction. Some feel the Mutawwa'in perform a useful function in limiting the secularization of the Kingdom. Others see it as an outdated and over-conservative annoyance.¹⁷ Serious questions also remain about the degree to which the attitudes of organizations like the "Mutawwa'in" affected the safety of Saudi girls schools and did or did not interfere in a school fire that killed 15 Saudi girls in March 2002. Certainly, religious conservatism was a factor that led to the gross over-crowding of some aspects of the school, which allowed 800 students to occupy a space designed for 300.¹⁸

In late November 2002, Prince Nayif was sufficiently disturbed over continuing problems with the Mutawwa'in so that he publicly took action to try to improve the conduct of the Department of Virtue Propagation and Vice Prevention. He called upon the Department to, "hire well qualified people and people of limited qualifications who act recklessly," "gently deal with the people and avoid harshness, especially with young people." He announced a training institute was being set up, and that the Mutawwa'in would operate with better training and discipline.¹⁹

In general, the "Mutawwa'in" seem to be more of a Saudi internal security problem than part of the solution. Saudis do not seem to be able to cite any examples of cases where the "Mutawwa'in" have played a role in limiting the activities of Islamic extremists and defending the core values of Islam against extremism. They cannot cite cases in which the "Mutawwa'in" played a role in defending religious values while aiding modernization and reform. To be blunt, they have been a "gentler and kinder" Taliban. They have carried out rote enforcement of Saudi religious practices while acting as a tacit endorsement of efforts to force compliance with Islam rather than persuade. As such, they often at least indirectly endorse Islamic extremism while lacking the intellectual depth, training, and experience to truly defend one of the world's great religions.

It should be noted, however, that there is another force called the "Mujahideen," whose operations are centered in Riyadh, and largely patrol it at night as a kind of religious vice squad. It has taken part in counter-terrorism operations. This force is much more professional than the "Mutawwa'in," and is rarely seen or talked about. It is staffed by around 3,000 and is an independent service that reports administratively to Prince Nayif, the Minister of Interior, and operationally to the Assistant Minister for Security Affairs.

Reform and Internal Security

Saudi Arabia has taken a number of steps to improve its internal security and support the war on terrorism since September 11th. Saudi intelligence and the Saudi foreign ministry have conducted a detailed review of Saudi companies and charities operating in Pakistan and Central Asia. Saudi Arabia and the other Gulf Cooperation Council countries agreed to take new steps to control the flow of funds and money laundering at the GCC summit meeting on December 31, 2001.²⁰ Saudi Arabia did make the Combined Aerospace Operations Center (CAOC) at Prince Sultan Airbase available for US use in supporting the war in Afghanistan and Iraq.²¹

The Saudi government has arrested a number of individuals the US suspects of supporting Osama Bin Laden, as well as cracked down on its more extreme Islamists. While it has acted slowly because of the sensitivity Saudis show to any outside pressure, and rising public anger over the Second Intifada, it issued orders blocking the assets of 66 persons, companies, groups, and charities on the US watch list for entities linked to global terrorism in late October, 2001.²² Saudi Arabia agreed to sign the 1999 UN anti-terrorism convention aimed at blocking the financial support of terrorists in early November 2001.²³ The Foreign Minister, Prince Saud Al Faisal, promised to punish Saudis criminally involved in al Qaida terrorism in December 2001.²⁴

The government has acted to freeze bank accounts linked to suspected terrorists, and Saudi intelligence is now monitoring at least 150 accounts for terrorist activity. The Saudi Chamber of Commerce established a task force in January 2002 to develop a financial and administrative system for Saudi charities to ensure that their funds would not go to extremist causes, and the Saudi Arabian Monetary Agency is assisting Saudi banks to develop and computerize systems to track money laundering. The Saudi government is also drafting new laws to limit money-laundering activity.²⁵

Saudi Reforms to the Internal Security Apparatus Before May 2003

Saudi Arabia issued a full list of the new actions it has taken to reshape these aspects of its security apparatus in early December 2002, and US officials have confirmed the validity of this list. These measures can be summarized as follow:²⁶

International Cooperation

- Supporting and implementing UN Security Council Resolution 1267 by freezing the funds and financial assets of the Taliban. Freezing the funds of the individuals listed in Security Council Resolution 1333. Signing the International Convention for Suppression and Financing of Terrorism based on Security Council Resolution 1373 and reporting on the implementation of the rules and procedures pertaining to this resolution; reporting to the Security Council on the implementation of Resolution 1390. Supporting and implementing Security Council Resolution 1368, of September 12, 2001, limiting the financing of terrorist activities.
- Maintaining a Counter-Terrorism committee with the United States comprised of intelligence and law enforcement personnel who meet regularly to share information and resources and to develop action plans to root out terrorist networks. Saudi Arabia has sought to strengthen cooperation between the Kingdom and the United States through reciprocal visits.

- Encouraging Saudi government departments and banks to participate in international seminars, conferences and symposia on combating terrorist financing activities. Saudi Arabia has hosted seminars, conferences and symposia on combating terrorism and is a member of the GCC Financial Action Task Force (FATF).
- Completing and submitting the Self-Assessment Questionnaire regarding the 40 recommendation of the FATF. Saudi Arabia has also submitted the Self Assessment Questionnaire regarding the 8 Special Recommendations of the FATF.
- Having the Saudi Arabian Monetary Authority (SAMA) exchange information on money laundering related activities with other banking supervisory authorities and with law enforcement agencies. SAMA has created a Committee to carry out a self-assessment for compliance with the recommendations of the FATF and these self-assessment questionnaires have been submitted. Saudi Arabia has invited the FATF to conduct a Mutual Evaluation in April 2003.
- Signing a multilateral agreement under the auspices of the Arab League to fight terrorism.
- Submitting a report every 90 days on the initiatives and actions the Kingdom has taken to fight terrorism to the UN Security Council committees dealing with terrorism.
- Establishing formal communication points between the Ministry of foreign affairs and the Permanent Representative to the UN.

Arrests and Questioning of Suspects

- Saudi Arabia has questioned over 2,000 individuals for possible ties to Al Qaida. Many of these people fought in Afghanistan during the Soviet invasion as well as in Bosnia and Chechnya.
- Detaining up to 200 suspects out of this total for questioning and interrogation. Well over 100 were still held in detention in December 2002.
- Saudi intelligence and law enforcement agencies identified and arrested a cell composed of seven individuals linked to Al Qaida who were planning to carry out terrorist attacks against vital sites in the Kingdom. The cell leader was extradited from the Sudan. This cell was responsible for the attempt to shoot down American military planes at Prince Sultan Airbase using a shoulder-launched surface-to-air missile.
- Saudi Arabia successfully negotiated with Iran for the extradition of 16 suspected Al Qaida members.
- Successfully negotiating with Iran for the extradition of 16 suspected Al Qaida members. These individuals are now in Saudi custody and are being questioned. The Iranian authorities handed over the Al Qaida fugitives, all Saudis, knowing that whatever intelligence was obtained from them during interrogation in Saudi Arabia would be passed on to the United States for use in the war against terrorism.
- Asking Interpol to arrest 750 people, many of whom are suspected of money laundering, drug trafficking, and terror-related activities. This figure includes 214 Saudis whose names appear in Interpol's database and expatriated who fled Saudi Arabia.
- Helping to identify a network of more than 50 shell companies that Osama Bin Laden used to move money around the world. The companies were located in the Middle East, Europe, Asia and the Caribbean. A sophisticated financial network that weaved through more than 25 nations was uncovered and virtually shut down.

Legal and Regulatory Actions and Freezing Terrorist Assets and Combating Money Laundering

- Signing and joining the United Nations Convention against Illicit Trafficking of Narcotics and Psychotropic Substances in 1988.
- Freezing assets of Osama Bin Laden in 1994.

- Establishing Anti-Money Laundering Units at the Ministry of Interior, SAMA and Commercial Banks in 1995.
- Having SAMA issue “Guidelines for Prevention and Control of Money Laundering Activities” to Saudi Banks to implement “Know your Customer Rules,” maintain records of suspicious transactions, and report them to law enforcement officials in SAMA in 1995.
- Adopting 40 recommendations of the Financial Task force relating to banking control of money laundering that grew out of the G-7 meeting in 1988.
- Saudi banks to identify and freeze all assets relating to terrorist suspects and entities per the list issued by the United States government on September 23, 2001. Saudi banks have complied with the freeze requirements and have initiated investigation of transaction that suspects linked to Al Qaida may have undertaken in the past.
- Investigating bank accounts suspected to have been linked to terrorism. Saudi Arabia froze 33 accounts belonging to 3 individuals that total about \$5,574,196.
- Establishing a Special Committee with personnel from the Ministry of Interior, Ministry of Foreign Affairs, the Intelligence Agency and the Saudi Arabian Monetary Agency (SAMA) to deal with requests from international bodies and countries with regards to combating terrorist financing.
- Reorienting the activities of the GCC Financial Action Task Force (FATF) to deal with terrorism and creating a Committee to carry out a self-assessment for compliance with the recommendations of the FATF.
- Joining Finance Ministers and Central Bank Governors of the G-20 in order to develop an aggressive action plan directed at the routing out and freezing of terrorist assets worldwide.
- Having the Saudi Arabian Monetary Authority (SAMA) instruct Saudi banks to promptly establish a Supervisory Committee to closely monitor the threat posed by terrorism and to coordinate all efforts to freeze the assets of potential terrorists. The Committee is composed of senior officers from banks responsible for Risk Control, Audit, Money-Laundering Units, Legal and Operations. The committee meets regularly in the presence of SAMA officials.
- Requiring Saudi banks to put in place mechanisms to respond to all relevant inquiries, both domestically and internationally, at the level of their Chief Executive Officers, as well as at the level of the Supervisory Committee. To ensure proper coordination and effective response, all Saudi banks route their responses and relevant information via SAMA.
- Having the Ministry of Commerce issue Regulation #1312 aimed at preventing and combating money laundering in the non-financial sector. These regulations are aimed at manufacturing and trading sectors and also cover professional services such as accounting, legal and consultancy services.
- Creating an institutional framework for combating money laundering, including the establishment of Anti-Money Laundering units, with a trained and dedicated specialist staff. These units work with SAMA and law enforcement agencies. The government has also encouraged banks to bring Money-Laundering related experiences to the notice of various bank committees (Chief Operations Officers, Managing Directors, Fraud Committee, etc.) for exchange of information and joint actions.
- Creating specialized Financial Intelligence Unit (FIU) in the Security and Drug Control Department of the Ministry of Interior. This unit is specially tasked with handling money-laundering cases. A new liaison group dealing with terrorist finances has been established between SAMA and the Ministry of the Interior.
- Carrying out regular inspection of banks to ensure compliance with laws and regulations. Any violation or non-compliance is cause for serious actions and is referred to a bank’s senior management and the Board. Furthermore, the government has created a permanent Committee of

- Banks' compliance officers to review regulations and guidelines and recommend improvements, and to ensure all implementation issues are resolved.
- Freezing bank accounts suspected of links to terrorists.
 - Use of the inter banking system in Saudi Arabia to identify possible sources of funding of terrorism,
 - Supporting UN resolutions, such as UN Security Council Resolution 1368 to limit the financing of terrorist activities.
 - Working with the US and other countries to block more than \$70 million in possible terrorist assets in Saudi Arabia and other countries.
 - Quietly providing data on suspect private Saudi accounts in Switzerland, Liechtenstein, Luxembourg, Denmark, and Sweden.
 - Directing SAMA to issue rules "Governing the Opening of Bank Accounts" and "General Operational Guidelines" in order to protect banks against money laundering activities in May 2002. For instance, Saudi banks are not permitted to open bank accounts for non-resident individuals without specific approval from SAMA. Banks are required to apply strict rules and any non-customer business has to be fully documented.
 - Carrying out regular inspection of banks to ensure compliance with laws and regulations. Any violation or non-compliance is cause for serious actions and is referred to a bank's senior management and the Board. Creating a Permanent Committee of Banks' compliance officers to review regulation and guidelines and recommend improvements, and to ensure all implementation issues are resolved.
 - Making significant new efforts to train staff in financial institutions and the Security and Investigation departments in the Ministry of Interior as well as others involved in compliance and law. Special training programs have been developed for bankers, prosecutors, judges, customs officers and other officials from government departments and agencies. Furthermore, training programs are offered by the Prince Nayif Security Academy, King Fahd Security Faculty and Public Security Training City.
 - Establishing a Permanent Committee of representatives of seven ministries and government agencies to manage all legal and other issues related to money laundering activities.
 - Directing SAMA to organize a conference with the Riyadh Interpol for the First Asian Regional meeting in cooperation with law enforcement agencies and financial institutions on January 28-30, 2002.
 - Having the Council of Saudi Chambers of Commerce and Industry in cooperation with SAMA conduct and International Conference on Prevention and Detection of Fraud, Economic Crimes and Money Laundering on May 13-14, 2002.
 - Directing Saudi banks and SAMA to computerize reported cases to identify trends in money laundering activities to assist in policymaking and other initiatives.

Actions Taken in regard to Charitable Organizations

- Creating a High Commission for the Oversight of Charities to look at ways to regulate charities, help them put financial control mechanisms and procedures in place, require that charities conduct audits, and review them. A Department will be set up that will grow out of the High Commission for the Oversight of Charities to maintain suitable review and controls. This will compensate for the fact that Saudi Arabia does not have an income tax and does not have the same tax-related review of expenditures common in the West.
- Requiring that charitable activities that extend outside Saudi Arabia be reported to the Saudi government and are routinely monitored, and that charitable activities outside Saudi Arabia be reported to the Foreign Ministry.

- Taking joint action with the United States to freeze the assets of, Wa'el Hamza Julaidan, a Saudi fugitive and a close aide of Bin Laden, who is believed to have funneled money to Al Qaida. Julaidan served as the director of the Rabita Trust and other organizations.
- Establishing a High Commission for oversight of all charities, contributions and donations is in the final process of setting up Operational Procedures to manage Contributions, Donations to and from the Charities.
- Auditing all charitable groups to ensure there are no links to suspected organizations since September 11, 2001.
- Issuing new guidelines and regulations, including financial control mechanisms to make sure terrorist and extremist organizations cannot take advantage of legitimate charities.
- Setting up the Higher Saudi Association for Relief and Charity to oversee the distribution of donations and guarantee they are channeled to the needy.
- Strengthening the role of the Saudi Arabia and US counter-terrorism committee comprised of intelligence and law enforcement personnel who meet regularly to share information and resources on the misuse of charities and charitable funds and develop plans of action to root out terrorist networks.
- Freezing bank accounts involving the flow of charitable funds that are suspected of being linked to terrorism.
- Working with the US Treasury Department to block the accounts of the Somalia and Bosnia branched of the Saudi Arabia-based Al-Haramain Islamic Foundation in March 2002. While the Saudi headquarters for this private charitable entity is dedicated to helping those in need, the US and Saudi Arabia determined that the Somalia and Bosnia branched of Al-Haramain Islamic Foundation engaged in supporting terrorist activities and terrorist organizations such as Al Qaida, AIAI (Al-Itihaad Al-Islamiya), and others.

Other Initiatives Related to Fighting Terrorism

- Signing a multilateral agreement under the auspices of the Arab League to fight terrorism.
- Participating in G-20 meetings and signing various bilateral agreements with non-Arab countries.
- Preparing and submitting a report on the initiatives and actions taken by the Kingdom, with respect to the fight against terrorism, to the UN Security Council Committees every 90 days.
- Establishing communication points between the Ministry of Foreign Affairs and the Permanent Representative to the United Nations.
- Supporting and meeting the requirements of various UN resolutions related to combating terrorism:
- Freezing funds and other financial assets of the Taliban regime based on UN Security Resolution 1267.
- Freezing funds of listed individuals based on UN Security Council Resolution 1333.
- Signing the International Convention for Suppression and Financing of Terrorism based on UN Security Council Resolution 1373 on reporting to the UN Security Council's committee regarding the implementation of the Rules and Procedures pertaining to 1373.
- Reporting to the UN Security Council the implementation of Resolution 1390.

- Embassy of Saudi Arabia, Initiatives and Actions Taken by the Kingdom of Saudi Arabia in the Financial Area to Combat Terrorism, December 3, 2002.

Saudi Internal Security Reforms Since May 2003

The Saudi security dynamic changed again as a result of the events of 2003. This increase in Saudi activity is shown in the following chronology of events that took place during 2003:

- In February 2003, the Saudi Arabian Monetary Agency (SAMA) began to implement a major technical program to train judges and investigators on terror financing and money laundering. The program educates judges and investigators on legal matters including terror financing and money-laundering methods, international requirements for financial secrecy, and the methods followed by criminals to exchange information.
- On May 12, 2003, a series of tragic bombings took place in Riyadh. Saudi Arabia reacted with a series of new efforts to combat terrorism, and more than 200 suspects were arrested in connection with the Riyadh bombings between May and September 2003. Since September 11, Saudi Arabia has questioned thousands of suspects and arrested more than 600 individuals with suspected ties to terrorism:
 - In May 2003, three clerics, Ali Fahd Al-Khudair, Ahmed Hamoud Mufreh Al-Khaledi and Nasir Hamad Al-Fahad, were arrested after calling for support of the terrorists who carried out the Riyadh attacks. In November 2003, Ali Fahd Al-Khudair recanted his religious opinions on Saudi TV. Shortly after, a second cleric, Nasir Ahmed Al-Fuhaid, recanted and withdrew his religious opinions describing them as a “grave mistake”. On December 16, 2003, Ahmed Hamoud Mufreh Al-Khaledi became the third cleric to recant on national television.
 - Eleven suspects were taken into custody on May 27 and May 28 in the city of Madinah. Weapons, false identity cards and bomb-making materials were confiscated. In addition, Saudi national Abdulmonim Ali Mahfouz Al-Ghamdi was arrested, following a car chase. Three non-Saudi women without identity cards, who were in the car he was driving, were detained.
 - Yousif Salih Fahad Al-Ayeeri, a.k.a. Swift Sword, a major Al-Qaida operational planner and fundraiser, was killed on May 31 while fleeing from a security patrol.
 - Ali Abdulrahman Said Alfagsi Al-Ghamdi, a.k.a. Abu Bakr Al-Azdi, surrendered to Saudi authorities. Al-Ghamdi, considered one of the top Al-Qaida operatives in Saudi Arabia, is suspected of being one of the masterminds of May 12 bombings in Riyadh.
 - Turki Nasser Mishaal Aldandany, another top Al-Qaida operative and mastermind of the May 12 bombings, was killed on July 3 along with three other suspects in a gun battle with security forces that had them surrounded.
 - Saudi security forces raided a terrorist cell on June 14, in the Alattas building in the Khalidiya neighborhood of Makkah. Two Saudi police officers and five suspects were killed in a shootout. Twelve suspects were arrested, and a number of booby-trapped Qur’ans and 72 home-made bombs, in addition to weapons, ammunition, and masks were confiscated.
 - In July 21, the Ministry of Interior announced that Saudi authorities had defused terrorist operations which were about to be carried out against vital installations and arrested 16 members of a number of terrorist cells after searching their hideouts in farms and houses in Riyadh Province, Qasim Province, 220 miles north of Riyadh, and the Eastern Province. In addition, underground storage facilities were found at these farms and homes containing bags, weighing over 20 tons, filled with chemicals used in the making of explosives.

- Three men were arrested on July 25, at a checkpoint in Makkah for possessing printed material that include a “religious edict” in support of terrorist acts against Western targets.
- On July 28, Saudi security forces killed six terrorist suspects and injured one in a gunfight at a farm in Qasim Province, 220 miles north of Riyadh. Two Saudi security officers were killed and eight suffered minor injuries. Four people who harbored the suspects were arrested. Nine security officers have been killed and 19 injured in counter-terrorism activities since May 12.
- In May 2003 SAMA issued instructions to all Saudi financial institutions to strictly implement 40 recommendations of the FATF regarding money laundering and the numerous recommendations regarding terror financing. Furthermore, SAMA issued instructions to all Saudi financial institutions prohibiting the transfer of any funds by charitable organizations outside the Kingdom. SAMA has also created a committee to carry out self-assessment for compliance with the FATF recommendations and these self-assessment questionnaires have been submitted. The FATF conducted a mutual evaluation on September 21 – 25, 2003.
- In May 2003, a Saudi-U.S. task force was organized from across law enforcement and intelligence agencies to work side by side to share “real time” intelligence and conduct joint operations in the fights against terrorism. Saudi authorities worked closely with U.S. and British law enforcement agents who came to the Kingdom to assist in the investigation. The U.S. Ambassador to Saudi Arabia, Robert Jordan, described the cooperation of Saudi investigators with the U.S. law enforcement representatives as “superb”.

Saudi Arabia redeployed Special Forces to enhance security and counter-terrorism efforts.

- In May 2003, SAMA distributed entitled “Rules Governing Anti-Monetary Laundering and Combating Terrorist Financing” to all banks and financial institutions in Saudi Arabia requiring the full and immediate implementation of nine new polices and procedures. The new regulations include the following:
 - All bank accounts of charitable or welfare societies must be consolidated into a single account for each such society. SAMA may give permission for a subsidiary account if necessary, but such an account can only be used to receive, not to withdraw or transfer, funds.
 - Deposits in these accounts will be acceptable only after the depositor provides the bank with identification and all other required information for verification.
 - No ATM or credit cards can be issued for these accounts. No checks and drafts are permitted from the charitable institution’s account, and all checks and drafts are to be in favor of legitimate beneficiaries and for deposits in a bank account only.
 - No charitable or welfare society can open or operate these bank accounts without first presenting a valid copy of the required license.
 - No overseas fund transfers allowed from these bank accounts
 - SAMA’s approval is required to open a bank account.
 - Only two individuals who are authorized by the Board of a charitable institution shall be allowed to operate the main account.

Another major institutional initiative is the creation of a specialized Financial Intelligence Unit (FIU) in the Security and Drug Control Department of the Ministry of Interior. This unit is specially tasked with handling money-laundering cases. A communication channel between the Ministry of Interior and SAMA on matters involving terrorist-financing activities had also been established.

- In August, 2003, the Council of Ministers approved new legislation, which puts in place harsh penalties for the crime of money laundering and terror financing. This legislation requires jail sentences of up to 15 years and fines up to \$1.8 million for offenders. The new law:
 - Bans financial transaction with unidentified parties,
 - Requires banks to maintain records of transactions for up to 10 years,
 - Establishes intelligence units to investigate suspicious transactions,
 - Sets up international cooperation on money-laundering issues with countries with formal agreements have been signed.
- In August 2003, Saudi Arabia and the United States established another joint task force aimed at combating the financing of terrorism. The task force, which was initiated by Crown Prince Abdullah, is further indication of the Kingdom's commitment to the war on terrorism and its close cooperation with the United States in eradicating terrorists and their supporters.
 - On September 23, 2003, security forces surrounded a group of suspected terrorists in an apartment in the city of Jizan. During a gun battle, one security officer was killed and four officers injured. Two suspects were arrested and one killed. The suspects were armed with machine guns and pistols and a large quantity of ammunition.
 - On October 5, 2003, security forces arrested three suspects during a raid in the desert to the east of Riyadh.
 - On October 8, 2003, security forces raided a farm in the northern Muleda area of Qasim Province and were able to arrest a suspect. Three other suspects fled the scene. Two security officers suffered injuries.
 - On October 20, 2003, security forces raided several terrorist cells in various parts of the country, including the city of Riyadh, the Al-Majma'a District in Riyadh Province, Makkah Province, the Jeddah District of Makkah Province, and Qasim Province. Security forces confiscated items including C4 plastic explosives, home-made bombs, gas masks, and large quantities of assault rifles and ammunition.
 - On November 3, 2003, Saudi police arrested six suspected Al-Qaida militants after a shootout in the holy city of Makkah in Saudi Arabia. The raid on an apartment triggered a shootout that left two suspected terrorists dead, and one security officer wounded.
 - On November 6, 2003, security forces investigating a suspected terrorist cell in the Al-Suwaidi district of the city of Riyadh came under fire from the suspects, who attempted to flee while attacking security forces with machine guns and bombs. In the exchange of fire, one terrorist was killed and eight of the security officers suffered minor injuries. On the same day, in the Al-Shara'ei district of the city of Makkah, two terrorist suspects, who were surrounded by security forces, used home-made bombs to blow themselves up. Their suicide followed a firefight during which they refused to surrender when requested by the security officers.
 - On November 20, 2003, Abdullah bin Atiyah bin Hudeid Al-Salami surrendered himself to security authorities. He was wanted for suspected terrorist activities.
 - On November 25, 2003, a car bomb plot was foiled in Riyadh. The encounter with security forces led to the deaths of two wanted terrorist suspects: Abdulmohsin Abdulaziz Alshabanat, who was killed in the exchange of fire, and Mosaed Mohammad Dheedan Alsobaiee, who committed suicide by detonating the hand grenade he was carrying. The vehicle that was seized was loaded with explosives and camouflaged as a military vehicle.
 - On November 26, 2003, a suspected terrorist was arrested. The suspect's hiding place was linked to the terrorist cell involved in the November 9 car bombing at the Al-Muhaya residential complex in Riyadh. Search of the hiding place revealed large quantities of

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

- On December 6, 2003, the Ministry of Interior published the names and photos of 26 suspects wanted by security forces in connection with the terrorist incidents that have taken place in the Kingdom in the past few months, urging them to surrender to the authorities. The Ministry called on all citizens and residents to report information they may have about any of the wanted suspects. Immediate financial rewards of up to \$1.9 million are being offered for information leading to the arrest of any wanted suspect, or any other terrorist elements and cells.
- On December 8, 2003, the Ministry of Interior announced that Ibrahim Mohammad Abdullah Alrayis, whose name was on the December 6 list, had been killed by security forces. The Ministry statement praised citizens' cooperation with the security forces, who are pursuing those wanted and those who are trying to undermine the country's security and safety.
- On December 30, 2003, Mansoor Mohammad Ahmad Faqeeh, whose name had been published in a December 6 list of 26 wanted terrorist suspects, surrendered himself to security authorities.
- By December 2003, Saudi security forces had conducted over 158 raids on various terrorist elements and groups.
- In December 2003, Saudi Arabia and the United States took steps to designate two organizations as financiers of terrorism under United Nations Security Council Resolution 1267 (1999). These organizations are the Bosnia-based Vazir and the Liechtenstein-based Hochburg AG. On January 22, 2004, in a joint press conference, U.S. Treasury Secretary Snow and Adel Al-Jubeir, Foreign Affairs Advisor to Crown Prince Abdullah, called upon the United Nations Sanctions Committee to designate four branch offices of the Al-Haramain Islamic Foundation as financial supporters of terrorism. This was the fourth joint action taken against terrorist financing by the United States Treasury Department and the Kingdom of Saudi Arabia.

Prospects for Further Internal Security Reforms

The Kingdom will take at least several years to come fully to grips with current terrorist threats. Its short-term successes have not removed cadres that are well equipped with arms and explosives, and past experience indicates that extremists and terrorists will soon change tactics, acquire better intelligence, and become far more sophisticated in concealing their existence and affiliations. Like the broader war on terrorism, Saudi Arabia faces at least a low-level threat that will be generational in character and which will probably exist in some form for the next decade.

Saudi Arabia can only move so quickly. It must maintain popular support, and many of the necessary social and educational reforms to address the problems that created these threats will take a half a decade to address. In the interim, there are bound to be more successful terrorist attacks. Almost inevitably, the Kingdom's pace of change – an emphasis on cooption versus direct action – will also prolong tensions with the US.

As yet, there seems to be little broad social support for violent extremism anywhere in the Kingdom. To the extent there are relevant public opinion surveys, they show that young

Saudis are far more interested in education, jobs, and a career than any form of radicalism, and that the most polarizing political issue is the Arab-Israeli conflict and not religion. The situation seems far closer to the early phases of the low-level “Armed Islamic Group” (AIG) threat to Egypt than to the kind of threat that could overthrow the monarchy. It is a major warning that both better security methods and reforms are needed, but not that the government is at risk or that investments in Saudi Arabia should be assigned a much higher level of risk.

It is clear, however, that the Saudi government must continue to steadily do more to come to grips with security problems like Islamic extremism while it simultaneously continues to liberalize its overall internal security arrangements and create and enforce a more modern version of the rule of law.

The dividing line between Islam and terrorism is clear, and one that has been publicly stated on many occasions by Crown Prince Abdullah, many other senior Saudi officials, and senior members of the Saudi clergy. No one can argue with Saudi advocacy of Islam and the conservative practices of the Wahhabi sect when these are so clearly the choice of the Saudi people. Everyone can argue with the thesis that extremists can use God to advocate violence, terrorism and actions that kill innocent civilians. The same is true of halting religious practices that teach intolerance and hatred, regardless of whether such practices are defended in the name of Islam, Judaism, Christianity or any other faith. The Saudi government needs to aggressively and consistently enforce its own policies in those areas.

There is no dilemma between improving intelligence and the security services and liberalization. More modern security and legal procedures can improve the quality of investigations, intelligence gathering, and warning without preventing reductions in censorship and government controls, more tolerance of the Saudi Shi'ite and practices of foreigners on Saudi soil, and methods of arrest and trial that guarantee more rights. Past progress in these areas has also shown that the necessary rate of progress can be made on Saudi terms and in ways that preserve Saudi custom.

There are also five key problems that Saudi Arabia must face in terms of cooperation with the US and other key actors in the broader war on terrorism:

- **Counterterrorism cooperation must steadily improve at every level.** Although counterterrorism has improved drastically, the Kingdom must continue its internal or external progress on promised reforms, fully implement the measures underway, and pay more attention to the need to reshape its approach to Islamic causes outside Saudi Arabia in ways that support reform, moderation, and tolerance.
- **The level of popular tension between the US and Saudi Arabia has reached the point** where it actively encourages Saudi hostility to the US in ways that aid extremists and terrorists. This has been compounded by a failure to create immigration and visa procedures that combine protection against terrorists with rapid and effective procedures for encouraging legitimate cultural, business, medical and student entrants to the US. The US badly needs to reshape its focus on counterterrorism to strengthen the ties between the US and Saudi and Arab moderates throughout the world, and ensure that students continue to be educated in the US and that the US preserves its ties to the most progressive and moderate forces in countries like Saudi Arabia, and to ensure that legitimate medical cases are screened and expedited on a humanitarian basis.
- **The Arab-Israeli conflict -- and Israeli-Palestinian War in particular -- have created serious tensions between the US and Saudi Arabia.** Both Saudi Arabia and the US are going to have to live with this fact, and inevitably, most Saudis will see movements like Hamas and the Hezbollah more as “liberators” or “freedom fighters” than as terrorists. Whatever the US and Saudi governments say in public about this aspect of the war on terrorism, there will be inevitable limits to their cooperation. This will, inevitably, lead to Israeli and pro-Israel demands for Saudi action in dealing with such groups that Saudi Arabia will not comply

with, triggering more political and media attacks against Saudi Arabia. Equal hostility will exist in Saudi Arabia over US ties to Israel. No amount of pressure can resolve this situation. Strong parallel efforts to revitalize the Arab-Israeli peace process can – to some extent – ameliorate it.

- **The fall of Saddam’s regime, and the rise of active terrorism within Saudi Arabia, is both key factors that illustrate the need to recast Saudi security in the broadest sense.** Saudi security efforts now cost so much that they are a serious threat to Saudi security. They also indicate that the US needs to actively help Saudi Arabia to refocus its security efforts on internal security – with is generally an order of magnitude cheaper than a conventional military build-up – and shift resources to economic growth and social programs.
- **Finally, the mid and long-term key to US efforts to help Saudi Arabia fight terrorism is not government-to -government cooperation, but rather cooperation between the Saudi and US private sectors.** It is investment and trade that create jobs in Saudi Arabia and reduces the social and economic pressures that help encourage extremism and terrorism. Saudi Arabia needs to be more realistic about the ROI, risk premiums, contract structures, and security necessary to create suitable incentive for US and foreign investment at the level and speed required. The US, however, must do more to assist US industry and may have to provide some form of guarantees. A “business as usual” approach will not do enough business at the rate required.

Broader Social and Economic Reforms are the Key Security Priority

It cannot be stressed too firmly that Saudi security is best preserved by broad progress and reform, and not by reforming the Saudi military or intelligence services. The state of the Saudi economy, and coming to grips with the Kingdom’s problems with education, Saudisation, youth employment, and demographics, are the true keys to internal security. So is a level of political progress that expands the role ordinary Saudis can play in government, and making further reductions in sources of social unrest like corruption. Even the best counterterrorist operations can only deal with the small fraction of the Saudi population that are violent extremists. True internal security is based upon popular support.

There is no reason that Saudi Arabia should always copy Western approaches to internal security and law enforcement as it makes these changes. The Kingdom can preserve its Islamic character and still take the necessary steps to end support for violent Islamic extremism both within and outside Saudi Arabia. Similarly, Saudi Arabia can also do much to liberalize and improve human rights without giving up its own national cultural traditions and still act to suppress terrorist and extremist activity.

Nevertheless, Saudi economic and political reform cannot take place without sufficient social and religious reform, and without sufficient tolerance of modern media and communications, to allow Saudi Arabia to compete in global economic terms. Saudi Arabia must become a more open society and one where its young men and women are fully prepared to compete in the market place with global efficiency. This is not a need based on the moral and ethical need to improve human rights – valid as such issues are -- it is a pragmatic need that is vital to Saudi Arabia’s future development and growth.

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¹ David E. Long, The Kingdom of Saudi Arabia, 1997, University Press of Florida, pp. 35-38.

² Royal Embassy of Saudi Arabia, “Government Official’s Biographies: His Royal Highness Prince Sultan bin Abdul Aziz Al Saud” Available from: http://www.saudiembassy.net/gov_profile/bio_sultan.html. Accessed on May 30, 2002.

³ Joseph A. Kechichian, Succession in Saudi Arabia, New York, Palgrave, 2001. p. 79.

⁴ Associated Press, NY, December 30, 2001, 1928; Reuters, December 29, 2001, 1802; Saudi Arabia, Vol. 18, No 10, October 2001, pp. 1-4.

⁵ Interviews in Saudi Arabia in 2000.

⁶ **This chronology is taken from work by the National Council on US-Arab Relations. A far more detailed version, with detailed references to the events shown below can be found at http://www.saudi-us-relations.org/Fact_Sheets/TimelineTerrorism.html.**

⁷ Prince Nayif is 68 years old. Like Fahd, Abdullah and Nawwaf, he is a son of King Abdul Aziz.

⁸ These comments are based on an English transcript and summary provided in e-mail form by the Saudi Embassy in Washington on December 5, 2002.

⁹ These comments are based on an English transcript and summary provided in e-mail form by the Saudi Embassy in Washington on December 5, 2002.

¹⁰ Prince Nawwaf is a son of King Abd al-Aziz. Prince Turki is brother of Prince Saud al-Faisal, the foreign minister and a brother of Turki and son of the late King Faisal.

¹¹ See Simon Henderson, "The Saudis: Friend or Foe?," Wall Street Journal, October 22, 2001, as provided by e-mail in publications@washingtoninstitute.org. Also see The Estimate, Vol. XIII, No. 16, September 7, 2001, p. 1.

¹² Arab News, July 8, 2001, Jeddah, <http://www.arabnews.com/article.asp?ID=3823>.

¹³ This analysis draws heavily on interviews, various annual editions of the IISS, Military Balance; and ^{Jane's} Sentinel: The Gulf States, 1997, London, Jane's Publishing 1997..

¹⁴ Defense News, November 11, 1991, p. 36; Washington Technology, September 24, 1992, p. 1.

¹⁵ This text is modified from text provided in the US State Department, Country Report on Human Rights Practices, http://www.state.gov/www/global/human_rights/1999_hrp_report/saudiara.html, and US State Department, 1999 Country Reports on Human Rights Practices, "Saudi Arabia", Released by the Bureau of Democracy, Human Rights, and Labor, U.S. Department of State, February 25, 2000.

¹⁶ US State Department, Country Report on Human Rights Practices, various editions, especially US State Department, 1999 Country Reports on Human Rights Practices, "Saudi Arabia", Released by the Bureau of Democracy, Human Rights, and Labor, U.S. Department of State, February 25, 2000.

¹⁷ The Ministry of Islamic Affairs funds the Mutawaa'in, and the general president of the Mutawaa'in holds the rank of cabinet minister. The Ministry also pays the salaries of imams (prayer leaders) and others who work in the mosques. During 1999, foreign imams were barred from leading worship during the most heavily attended prayer times and prohibited from delivering sermons during Friday congregational prayers. The Government claims that its actions were part of its Saudisation plan to replace foreign workers with citizens.

¹⁸ Associated Press, NY, March 18, 2002, 0650, March 25, 2002, 1225; Reuters, March 12, 2002, 0430.

¹⁹ These comments are based on an English transcript and summary provided in e-mail form by the Saudi Embassy in Washington on December 5, 2002.

²⁰ Wall Street Journal, February 5, 2002.

²¹ The Estimate, January 25, 2002, p. 4.

²² Reuters, October 31, 2001, 1255.

²³ Associated Press, NY, November 6, 2001, 0617.

²⁴ Washington Post, December 8, 2001, p. A-3.

²⁵ Washington Times, February 8, 2002, p. 18; Wall Street Journal, February 5, 2002.

²⁶ Embassy of Saudi Arabia, Initiatives and Actions Taken by the Kingdom of Saudi Arabia in the Financial Area to Combat Terrorism, December 3, 2002.