



## FROM THE OFFICE OF PUBLIC AFFAIRS

November 19, 2002  
PO-3632

### **Treasury Designates Benevolence International Foundation and Related Entities as Financiers of Terrorism**

Today the US Treasury designated three entities as financiers of terrorism under Executive Order 13224 and will ask the United Nations to add these names to the list of those whose assets must be blocked by all member nations under UNSCR 1390. The financial accounts of the principal entity, Benevolence International Foundation, were blocked pending investigation in December 2001. The three closely linked but separately incorporated entities designated today are Benevolence International Foundation, Benevolence International Fund (Canada), Bosanska Idealna Futura (Bosnia), and their branch offices.

"UN designation of these financiers of terror will cut off their access to the global financial system and strip them of their ability to fund evil," said Treasury Secretary Paul O'Neill.

Benevolence International Foundation ("BIF") is a U.S. tax-exempt not-for-profit organization whose stated purpose is to conduct humanitarian relief projects throughout the world. BIF was incorporated in the State of Illinois on March 30, 1992. Although BIF is incorporated in the United States, it operates around the world, in Bosnia, Chechnya, Pakistan, China, Ingushetia, Russia, and other nations. BIF operates as Benevolence International Fund in Canada and as Bosanska Idealna Futura in Bosnia.

Enaam Arnaout, BIF's Chief Executive Officer and a member of the Board of Directors, recently was indicted in the United States for operating BIF as a racketeering enterprise and providing material support to organizations, including al Qaida, that are engaged in violent activities.

Substantial evidence documents the close relationship between Arnaout and Usama bin Laden, dating from the mid-1980s. An article in the Arab News from 1988, reporting on bin Laden's activities at the "al Masada" mujahideen camp in Afghanistan, included a photograph of Arnaout and bin Laden walking together. In a March 2002 search of BIF's offices, Bosnian law enforcement authorities discovered a host of evidence linking Arnaout to bin Laden and al Qaida. Among the files were scanned letters between Arnaout and bin Laden, under their aliases.

In one handwritten letter, bin Laden indicates that Arnaout is authorized to sign on bin Laden's behalf.

Various documents also established that Arnaout worked with others -- including members of al Qaida -- to purchase rockets, mortars, rifles, and offensive and defensive bombs, and to distribute them to various mujahideen camps, including camps operated by al Qaida.

Arnaout claimed to the Chicago Tribune last winter that he did not know bin Laden personally, that he had never been to the "al Masada" camp (at which he had been photographed walking with bin Laden), and that he was working in a restaurant in the Persian Gulf area during the relevant time frame. BIF's counsel later acknowledged in court that "it would appear that the nature of [Arnaout's] contacts [with bin Laden] may have been of a deeper nature than what he described to the Tribune."

BIF also has provided additional support for and has been linked in other ways to al Qaida and its operatives. First, BIF lent direct logistical support in 1998 to Mamdouh Mahmud Salim, a bin Laden lieutenant present at the founding of al Qaida. Salim was indicted for conspiring to kill U.S. nationals. Testimony at the 2001 trial of United States v. Bin Laden, et al, implicated Salim in efforts to develop chemical weapons on behalf of al Qaeda in the 1990s. As early as 1992, Salim and bin Laden made efforts to develop conventional weapons and to obtain nuclear weapons components. BIF is also linked to Mohamed Loay Bayazid, who was implicated in the U.S. embassy bombings trial for his efforts, approved by Salim, to obtain weapons components on behalf of bin Laden in 1993-1994. Bayazid's driver's license application, dated September 12, 1994, identifies his address as the address of BIF's Illinois office. In the late 1990s, Saif al Islam el Masry, a member of al Qaida's majlis al shura (consultation council), served as an officer in BIF's Chechnya office.