



**Intelligence and Terrorism Information Center
at the Center for Special Studies (C.S.S)**

Yasser Arafat and the Palestinian Authority fully recognize the threats posed to themselves by Hamas' and the Palestinian Islamic Jihad's civilian infrastructure that supports terrorism. However, they avoid taking decisive, on-going action to curb the phenomenon

General overview

Seized documents supported by information acquired throughout the course of the violent confrontation prove that Yasser Arafat and the Palestinian Authority fully recognize the threats posed to themselves by Hamas' and the Palestinian Islamic Jihad's civilian infrastructure and financial system (the *da'wa*) and are fully aware of the support that infrastructure provides to terrorism.

However, throughout the course of the violent confrontation, (excluding atypical bursts of activity), they have avoided taking sustained and focused action against the terrorist organizations' infrastructure. The explanation for such indecisiveness lies in two fundamental reasons: the Palestinian Authority's inability to provide a fitting alternative capable of addressing the needs of the population, and its desire not to engage in a frontal confrontation with Hamas and the Palestinian Islamic Jihad over the priority given to the continuation of the violent confrontation with Israel.

The Palestinian Authority's dilemma

1. Documents seized in the course of Operation Defensive Shield and information gathered on the policy of the Palestinian Authority in the years of the violent confrontation with Israel (September 2000—June 2004) testify that **time and again, the Palestinian Authority finds itself in a dilemma** over its relations with Hamas' civilian infrastructure (the *da'wa*):
 - a. **On one hand**, the seized documents provide an unequivocal testimony that the **Palestinian Authority is fully aware of the fact that the extensive civilian infrastructure** created and nurtured by Hamas (including such institutions as charity associations, kindergartens, schools, sports clubs and mosque committees) **reinforces Hamas' grip over the civilian population at the Palestinian Authority's expense**. Moreover, it serves Hamas as a **reservoir of future terrorists (including suicide bombers)** and exposes the Palestinian Authority to pressure exerted by the **Americans** (this is also true regarding the less developed civilian infrastructure of the Palestinian Islamic Jihad).
 - b. **On the other hand, the Palestinian Authority does not wish to engage Hamas head-on**, not even when the movement's activities collide with its vital interests. **The reason for such reluctance is twofold**: first, **the Palestinian Authority's powerlessness**, which has prevented it from presenting the civilian population with an attractive alternative to Hamas' extensive civilian activity. Furthermore, Yasser Arafat was not willing (and still refuses) to sacrifice the Palestinian unity necessary for the continuation of the violent confrontation, that still remains at the top of his priorities.
2. **Seeking a way out of its predicament**, the Palestinian Authority has embraced a **hesitant policy** throughout the violent confrontation, carefully maneuvering between rivaling interests: on several occasions, it has taken steps against Hamas' civilian infrastructure (most of these measures were

taken in the wake of spectacular terrorist attacks perpetrated by the Hamas movement), acting on the need to demonstrate action so as to alleviate **American pressure**. However, **those measures were neither effective nor sustained**, leaving Hamas' civilian infrastructure **nearly unaffected** (Hamas is still perceived by the Palestinian civilian population as an organization addressing their needs, in contrast to the corrupt and indolent Palestinian Authority).

3. In the course of the violent confrontation, **two significant attempts** by the Palestinian Authority to act against Hamas' civilian infrastructure can be noted, both of which were consequences of **mass-casualty terrorist attacks** perpetrated by Hamas **that resulted, among else, in American pressure being exerted upon the Palestinian Authority: the first wave started in December 2001 and continued for several months up until Operation Defensive Shield; the second wave started in August 2003 and continues, to some extent, to this day**. What follows are characteristics of those attempts and evaluation of their results thus far.

The first wave—main characteristics

4. In a document seized in the course of Operation Defensive Shield, Police Chief **Ghazi al-Jabali** instructed (December 12, 2001) the police personnel in the various provinces to **completely close down Hamas' and the Palestinian Islamic Jihad's offices, institutions and installations**. He also ordered to **annex the health and education institutions** of those two movements to the Palestinian Authority's relevant government offices. **These instructions, says the document, are based on orders issued by Yasser Arafat (see the Appendix for the original document and its translation)**.

5. **The motives behind these instructions were:**
- a. **A series of terrorist attacks perpetrated by Hamas in early December 2001¹**, and Yasser Arafat's subsequent order to the Islamic terrorist organizations to halt their terrorist activities (an order that was enforced neither by Yasser Arafat nor by the Palestinian Authority). Following those terrorist attacks, the Palestinian Authority started (mid December 2001) to act against the **civilian infrastructures** (the *da'wa*) of Hamas and the Palestinian Islamic Jihad that operated in the Palestinian Authority administered territories, rightly considering them to be a **major source of power for the two terrorist organizations**.
 - b. **Pressures exerted at that time by the US** on the Palestinian Authority **in the wake of Osama Bin Laden's September 11 attacks to act against the Palestinian terrorist organizations. Noteworthy in this context are:**
 - i. **A presidential decree** freezing the assets of terrorist organizations (November 2, 2001) also included assets of those institutions financing Hamas activity. On December 4, 2001, the American government added to the list the **Holy Land Foundation for Relief and Development**, Hamas' fundraising organ in the US, as well as **Beit al-Mal** and the **Al-Aqsa Bank** (two of Hamas' key financial-business institutions in the Palestinian Authority administered territories).
 - ii. Furthermore, in a strong-worded television statement (December 4, 2001), with the Minister of Finance and the Attorney General at his side, President George W. Bush said that the Holy Land Foundation for Relief and Development was nothing more than **Hamas' front for raising terrorist**

¹ On December 1, 2001, Hamas perpetrated a mass-casualty terrorist attack using two suicide bombers and a car bomb on Ben Yehuda St. in the center of Jerusalem. 10 people were killed and 180 were wounded, 17 of them critically. A day later, December 2, 2001, Hamas perpetrated a suicide bombing attack on bus no. 16 in Haifa. 15 passengers were killed and 40 were wounded.

funds, and that the “charity activity” for which the funds are ostensibly gathered is in fact an **infrastructure for cultivating and building up the movement’s terrorist activity**. Thus, for the first time, the Americans **equated Hamas’ civilian infrastructure (the *da’wa*) with its terrorist activity**².

6. Following a decree issued by Yasser Arafat, a **long list of Hamas’ civilian institutions were closed down in widely-publicized moves in late December 2001**. The institutions included charity associations, publications, political offices, centers for Islamic studies, and youth and sports clubs. Alongside these actions, the Palestinian Authority reinforced its **monitoring** of Hamas-related money transfers to banks in the Palestinian Authority administered territories.
7. However, these instructions, issued by Yasser Arafat and the Palestinian Authority, **were not acted upon effectively and over prolonged periods of time** and, ultimately, **did little if anything to impact Hamas’ and the Palestinian Islamic Jihad’s civilian infrastructure**. The Palestinian Authority’s moves came to an end with the start of Operation Defensive Shield (April 2002) and resumed, on a much lesser, sporadic scale, around October 2002.

The second wave (August 2003)

8. An additional attempt by the Palestinian Authority to damage Hamas’ and the Palestinian Islamic Jihad’s civilian infrastructure was made in August 2003, during the tenure of **Abu Mazen’s** (Mahmoud Abbas) government. As was the case with the first wave, which occurred in 2001, the motivation behind the

² The Palestinians have been aware of this parallel for a long time. In the period of time that preceded the violent confrontation, after the February-March 1996 wave of terrorist attacks, the Palestinian Authority took extensive measures against the Hamas’ civilian infrastructure and its funds. A document issued by the Palestinian security apparatuses in the late 1990s clearly states: **“It is known that the [Hamas] movement controls [several kinds of] institutions: kindergartens, schools, sports groups, clinics and mosque committees. That is, the movement creates a linkage between religious affairs and political and social issues**. In this fashion, the movement reinforces its hold and presence in the Palestinian Authority administered territories and **it is no coincidence that Hamas operatives recruit future candidates for suicide (*intihariyun*) from among the ranks of students in the movement’s schools or its sports groups and associations**.

Palestinian Authority's measures was a **terrorist attack perpetrated by Hamas in Jerusalem**³ and the ensuing American and European pressure.

9. Within the context of the security measures to which Abu Mazen and Muhammad Dahlan committed themselves, the Monetary Authority ordered (August 24, 2003) banks in the Palestinian Authority to **freeze the accounts of 12 “charity associations”** associated with Hamas that directed the movement's civilian infrastructure and supported its mechanism of terrorism. Those were associations operating **dozens of offices** in the Gaza Strip, including **Hamas' key associations**.
10. These moves by the Palestinian Authority were, seemingly, a significant step-up in its treatment of Hamas' civilian infrastructure and its financial activity; however, as in the past, **those instructions were not followed in full**. The Palestinian court of justice ruled (March 21, 2004) that the funds of those charity associations linked with Hamas, frozen by the Palestinian Authority's decision in August 2003, should be released. Indeed, ever since November 2003, funds for the associations' daily expenses have been **partially released**.
11. However, the Palestinian Authority's **dispute** with Hamas over the charity associations is still **well underway**. Palestinian Authority officials have so far refused to carry out the decision of the Palestinian court of justice. It appears that the situation that has existed since November 2003, in which the associations' accounts remain partially frozen, perseveres. This demonstrates the Palestinian Authority's capability—should it choose to put it to practice—to act against the civilian structures of the terrorist organizations and their financial infrastructures, however effective those actions may be.
12. The Hamas movement, on its part, has no intentions of yielding to the Palestinian Authority on a subject as vital to its interests and is trying to capitalize on the public support it receives to exert pressure on the Palestinian Authority. Hamas' civilian infrastructure **still continues to operate** both as a tool to assist the

³ In a suicide bombing attack perpetrated by Hamas on bus no. 2 in Jerusalem's neighborhood of Shmuel Ha-Navi, 23 people were killed and over 130 were wounded (August 19, 2003).

population as well as a terror-supportive instrument; encountering, however, greater difficulties than before (that stem also from Israeli and international activity against it).

Appendix

Instructions issued by the Palestinian Police Chief, based upon Yasser Arafat's orders, to shut down Hamas' and Palestinian Islamic Jihad's civilian offices and institutions—translation

Police headquarters

Fax no.: 08-2829425 23:19

12.12.2001

Decision

Extremely urgent

Based on instructions issued by His Excellency, President [Yasser Arafat], the General Commander, **all offices, institutions and installations of the Hamas and Palestinian Islamic Jihad movements in all districts must be closed down. The health and education institutions ought to be annexed to the Palestinian Authority's relevant government ministries.**

Effective: As of the date indicated above

Chief of Police

December 12, 2001

[The signature of Police Chief Ghazi al-Jabali]

At the edge of the document: Commanders of police stations in the districts, commanders of investigations, commander of the police headquarters

Carry out and keep me informed

To the Police Security

For monitoring according to the instructions

To: Investigations, Combat [against drugs and other felonies], Police Security, Central [Operations], for immediate execution

Signature

Stamp: General Police Administration, Bethlehem district

Instructions issued by the Palestinian Police Chief, based upon Yasser Arafat's orders, to shut down Hamas' and Palestinian Islamic Jihad's civilian offices and institutions—original document

