



The Palestinian Authority (PA) found a creative way to continue transferring monthly payments to Palestinian terrorist prisoners, the wounded and the families of shaheeds

July 20, 2021

Overview

▶ On July 6, 2021, a ceremony was held in the headquarters of the PA post office bank in Ramallah, attended by the Palestinian minister of communications, inaugurating **a new method that will enable the PA to make its monthly payments to Palestinian terrorist prisoners**, the wounded and the families of shaheeds. Payments will now be made **through ATMs** which will be distributed to post office branches in Judea and Samaria. Using ATMs to pay terrorists and their families was another creative way found by the PA to circumvent Israel's order banning the banks in Judea and Samaria from handling the accounts of terrorists and their families.¹ It came after the failure of other solutions which had been proposed, such as establishing a governmental bank or hiring released prisoners to work for government departments.

▶ According to a report prepared by the Israeli National Bureau for Counter Terror Financing (NBCTF) in the Israeli Ministry of Defense, **in 2020 the PA transferred 597 million shekels (\$181 million) to the families of Palestinian terrorist prisoners and shaheeds. The payment was made despite the PA's severe budget deficit.** According to **Shukri Bshara, the Palestinian ministry of the treasury**, during the first half of the year the PA's deficit was \$470 million (al-Iqtisadi, July 7, 2021). Following the report, the Israeli Cabinet authorized Israel to **deduct 50 million shekels per month (\$152 million) from the tax revenues Israel collects for the PA, the monthly sum the PA pays the families of terrorist operatives and shaheeds** (NCBTF, July 11, 2021).

▶ Paying the Palestinian terrorists imprisoned in Israeli jails and the families of shaheeds every month reflects **the deeply-rooted Palestinian ethos**, anchored in Palestinian law, **which represents the imprisoned terrorists as the fighting sector of**

¹ On January 1, 2021, the order issued by the Commander of the IDF Central Command, banning the banks in Judea and Samaria from managing the accounts of Palestinian terrorist prisoners in Israeli jail, the wounded and the families of shaheeds. In the wake of the order, the banks in Judea and Samaria, including the Bank of Palestine, the largest in the PA, began closing the accounts of the terrorists and the families of shaheeds.

Palestinian society, making it hard for the PA to change the nature of or downscale its support. The **payments make up 7% of the PA's annual budget**. So far, Israeli and American demands that the payments stop, and Israel's monthly deductions of \$152 million have had no effect, not even during the financial difficulties caused by the coronavirus crisis.

► To be able to continue making the payments and to circumvent the difficulties posed by Israel and the American administration, a number of creative solutions have been proposed by the PA, among them **establishing a Palestinian governmental bank** and **paying welfare** according to socio-economic status. Another possible solution, **proposed during the Arafat era** and which may recently have been reinstated, was the hiring of released terrorist prisoners by the civilian institutions of the PA's security forces, ensuring they receive payments as a "salary."

► At a meeting held in Ramallah on July 8, 2021, attended by a delegation of 11 bipartisan Congressmen, the Americans raised the issue of the payments to the terrorist prisoners and families of shaheeds. They said the payments were "completely and totally unacceptable" and violated the Taylor Force Act of 2018, which stopped American foreign aid to the PA as long as it continued paying terrorists and did not repeal the law instituting the payments. According to reports Mahmoud Abbas defended the payments by calling them welfare for needy families. One Congressman, speaking on condition of anonymity, said the meeting was "tense at times, as it was clear that we didn't see eye to eye on a number of issues"² (Times of Israel, July 14, 2021). The issue was also raised during a meeting held by **American envoy** to the PA **Hady Amr** and PA Prime Minister Muhammad Shtayyeh (Wafa, July 13, 2021)



Mahmoud Abbas meets with a delegation of American Congressmen (Mahmoud Abbas' Facebook page, July 8, 2021).

² Asked by the Congressmen if cancer patients received similar financial support for the PA, Mahmoud Abbas claimed they were currently constructing a mechanism to support them (Times of Israel, July 14, 2021).

Launching ATMs in Ramallah

- ▶ On July 6, 2021, a ceremony was held in post office headquarters in Ramallah, where **Ishaq Sadr, Palestinian communications and IT minister**, announced the inauguration of a new method for making monthly payments to Palestinian terrorist prisoners, the wounded and the families of shaheeds. They will be able to withdraw funds from the 20 ATMs the PA bought and will distribute to post office branches in PA districts in Judea and Samaria.
- ▶ The guest of honor was **"Umm Nasser" Abu Hamid**, one of whose sons **murdered an IDF soldier** in the al-Am'ari refugee camp by dropping a marble slab on his head, May 26, 2018. Five of her other sons are currently serving prison terms in Israel for their involvement in terrorist attacks. "Umm Nasser" Abu Hamid is widely respected, both by the Fatah leadership and the Palestinian public in general. She was chosen to cut the ribbon at the ceremony opening the first ATM, and was also presented with a plaque from the AP.
- ▶ The use of the ATM was demonstrated, and families and residents who could not use them to receive payment were asked to go to their local post offices during working hours (Facebook page of the PA authority for prisoners and released prisoners' affairs, July 7, 2021).



Demonstration of how to use the machine
(Facebook page of the PA ministry of communications and IT, July 6, 2021).



The minister of communications and IT gives a speech. Left: "Umm Nasser" Abu Hamid cuts the ribbon (Facebook page of the PA ministry of communications and IT, July 6, 2021).



"Umm Nasser" Abu Hamid gives a speech. Left: "Umm Nasser" Abu Hamid receives a plaque (Facebook page of the PA ministry of communications and IT, July 6, 2021).

► **Khaled Jabarin, director general of the PA's institution** for the families of shaheeds and the wounded, said the new system would preserve the rights [sic] of the families of shaheeds and wounded. It would, he said, ensure they could live their lives with dignity, despite international pressures and Israeli measures to prevent them from realizing their rights by threatening the Palestinian banks.

► **Qudri Abu Bakr, chairman of the commission for prisoners** and released prisoners' affairs, said the cooperation of the Palestinian ministry of communications, the Palestinian monetary authority and the PA ministry of the treasury had made it possible for them to create an easier mechanism to make payments and preserve the dignity of the prisoners and their families. Now, he said, they could effortlessly withdraw funds through ATMs, without crowds or having to wait in line. He said there were currently **5,000 prisoners in Israeli jails and 7,100 released prisoners**, all of whom could be **paid through the ATMs**, as could the Palestinian wounded and the families of shaheeds [no numbers revealed].

► Qudri Abu Bakr also praised "Umm Nasser" Abu Hamid, stressing that they had to do everything in their power to support the "fighting sector" and their families. He said Mahmoud Abbas and Muhammad Shtayyeh customarily stressed the uniqueness of the sector [of shaheeds and Palestinians prisoners] at every possible opportunity, and the PA's national, uncompromising duty provide them with a life of dignity. He said that despite international pressure the PA would remain faithful [to the "fighting sector"], its stance was firm in that regard, and the rights of ["the fighting sector"] were anchored in international laws and conventions because, he claimed, the Palestinian prisoners were "freedom

fighters." He thanked the minister of communications for investing in the ATMs, which will facilitate the withdrawal of funds.



**Qudri Abu Bakr speaks at the ceremony in Ramallah
(Facebook page of the PA commission for prisoners and released prisoners' affairs, July 7, 2021).**

Appendix

Indirect PA methods for paying prisoners and the families of shaheeds³

▶ In February 2020 **General Nadav Padan, at the time Commander of the IDF Central Command, issued an order banning the transfer of funds** to the families of shaheeds, prisoners and released prisoners through the banks operating in Judea and Samaria. Banks that continued conducting the transactions would be breaking Israel's anti-terrorism law and the bank managers and personnel would be considered conspirators in a criminal act, i.e., financing terrorism (Israeli media, May 9, 2021).⁴ **Enforcing the order was delayed several times and went into effect on January 1, 2021.** As a result, the banks in Judea and Samaria, including the Bank of Palestine, the largest bank, began closing the accounts of prisoners and the families of shaheeds.

▶ At the **end of December 2020**, in view of the impending action, the PA paid the prisoners three months in advance to avoid having to deal with the banks during the first quarter. That ensured funds to the families of prisoners and shaheeds until the end of March 2021, giving the PA breathing space to put other mechanisms in place.

▶ Beforehand, however, as soon as the order was issued, the PA began looking for alternative solutions for making payments. Various suggestions were examined and tried, with no success. The most serious were the following:

- ◆ **Establishing a governmental banking institution:** The PA initiated measures to establish a governmental bank for the accounts of the prisoners and families of shaheeds. The institution would not have ties to any Israeli or other international entity. The PA government authorized the establishment of the bank on July 20, 2020, and Bayan Qassem was appointed director (Wafa, July 20, 2020). On July 27, 2020, the

³ For further information, see the November 26, 2020 bulletin "The Palestinian Authority is looking for creative ways to continue transferring payments to terrorist prisoners and to families of shaheeds, circumventing Israeli opposition."

⁴ For further information, see the June 4, 2020 bulletin, "The Palestinian Authority plans to establish a bank to enable it to transfer payments to Palestinian prisoners and the families of shaheeds."

government authorized the new bank's name, "The independent development and investment bank" (Wafa, July 27, 2021). The project was a failure and apparently abandoned.

◆ **Changing the payment system: Two suggestions were raised, both of them cosmetic:** They did not involve stopping payments, only changing the name:⁵ one, which met with strong internal Palestinian opposition, defined the payments as "welfare" which would depend on the socio-economic status of the prisoners and their families. The other had already been proposed during the Arafat era, and involved employing released prisoners as ordinary workers in the PA's institutions and security forces, and paying them a "salary" for their [actual or fictitious] work. It is possible the alternative has already been put in place and is being implemented.

⁵ For further information, see footnote 3.