

## The Saudi Money Trail

*Rent payments for 9-11 hijackers and mysterious checks from a princess's account. Is there a Saudi tie to terror? Inside the probe the Bush administration doesn't want you to know about*

**Dec. 2 issue — When the two Qaeda operatives arrived at Los Angeles International Airport around New Year's 2000, they were warmly welcomed. Nawaf Alhazmi and Khalid Almihdhar would help hijack American Airlines Flight 77 and crash it into the Pentagon a year and a half later, but that January in Los Angeles, they were just a couple of young Saudi men who barely spoke English and needed a place to stay.**

AT THE AIRPORT, THEY were swept up by a gregarious fellow Saudi, Omar al-Bayoumi, who had been living in the United States for several years. Al-Bayoumi drove the two men to San Diego, threw a welcoming party and arranged for the visitors to get an apartment next to his. He guaranteed the lease, and plunked down \$1,550 in cash to cover the first two months' rent. His hospitality did not end there.

Al-Bayoumi also aided Alhazmi and Almihdhar as they opened a bank account, and recruited a friend to help them obtain Social Security cards and call flight schools in Florida to arrange flying lessons, according to law-enforcement officials. Two months before 9-11, al-Bayoumi moved to England; several months later, he disappeared. He is believed to be somewhere in Saudi Arabia.

### MYSTERY MAN

Who is al-Bayoumi? At various times, the affable father of four told people that he was getting his doctorate at San Diego State, though the school has no record he ever attended. He told others that he was a pilot for the Saudi national airline. He apparently did work for Dallah Avco, an aviation-services company with extensive contracts with the Saudi Ministry of Defense and Aviation, headed by Prince Sultan, the father of the Saudi ambassador to the United States, Prince Bandar. According to informed sources, some federal investigators suspect that al-Bayoumi could have been an advance man for the 9-11 hijackers, sent by Al Qaeda to assist the plot that ultimately claimed 3,000 lives.

The Feds' interest in al-Bayoumi has been heightened by a money trail that could be perfectly innocent, but is nonetheless intriguing—and could ultimately expose the Saudi government to some of the blame for 9-11 and seriously strain U.S.-Saudi ties. It is too soon to say where the trail will wind up, but it begins with a very surprising name on a Washington bank account.

About two months after al-Bayoumi began aiding Alhazmi and Almihdhar, NEWSWEEK has learned, al-Bayoumi's wife began receiving regular stipends, often monthly and usually around \$2,000, totaling tens of thousands of dollars. The money came in the form of cashier's checks, purchased from Washington's Riggs Bank by Princess Haifa bint Faisal, the daughter of the late King Faisal and wife of Prince Bandar, the Saudi envoy who is a prominent Washington figure and personal friend of the Bush family. The checks were sent to a woman named Majeda Ibrahim Dweikat, who in turn signed over many of them to al-Bayoumi's wife (and her friend), Manal Ahmed Bagader. The Feds want to know: Was this well-meaning charity gone awry? Or some elaborate money-laundering scheme? A scam? Or just a coincidence?

A spokesperson for Princess Haifa told NEWSWEEK that she had no idea the money was going to the al-Bayoumi family or that it might in any way be used for some nefarious purpose. Saudi officials and members of the royal family routinely give money to supplicants who need medical or financial help and write the embassy. Dweikat's husband, Osama Basnan, had first pleaded to the Saudi Embassy for help in 1998, saying that he needed money to treat his wife's thyroid condition. At the time, Prince Bandar wrote Basnan a \$15,000 check. The monthly payments to his wife, Majeda, began in January 1999 and ended only last summer. Until she was contacted late last week by NEWSWEEK, Princess Haifa was unaware that the payments are being investigated by U.S. authorities, according to the spokesperson.

### 9-11 FAILURES?

Questions over the money trail have enflamed a fierce, behind-the-scenes struggle between two congressional committees looking into 9-11 and the Bush administration. Senate Intelligence Committee co-chairman Robert Graham of Florida, a Democrat, and Richard Shelby of Alabama, a Republican, believe that the FBI failed to fully investigate 9-11. The lawmakers suspect that the administration does not want to look too closely at Saudi connections to the hijackers. The White House clearly fears jeopardizing U.S.-Saudi relations. In addition to Saudi oil, the United States needs Saudi bases to stage a possible invasion of Iraq. Administration officials reluctantly confirmed to NEWSWEEK that money had moved from Princess Haifa's account to al-Bayoumi, but they stressed that they do not know the purpose of the payments or whether any Saudi officials were even aware of them. "The facts are unclear, and there's no need to rush to judgment," said one administration official. In meetings with intelligence committee leaders, Vice President Dick Cheney, Attorney General John Ashcroft and others have adamantly rejected attempts to declassify the information, citing national-security concerns.

There have long been persistent suspicions of Saudi financial involvement with Al Qaeda. Of the 9-11 hijackers themselves, 15 of 19 came from Saudi Arabia. Some American intelligence officials say the Saudis have been less than fully cooperative in the war on terror. Some wealthy Saudis have long been known to fund charities that are used as fronts to support terrorists. It would be shocking indeed if the Saudi government or members of the royal family were supporting Al Qaeda. Saudi officials insist that any such suggestion is preposterous. After all, Osama bin Laden's stated aim is to overthrow the House of Saud as lackeys for the Americans. But many investigators suspect that the Saudi royals wish to

hold their enemies close, to learn what they are up to and, possibly, to buy insurance. The Saudi government, as well as many wealthy Saudi businessmen with close ties to the government, generously support radical imams who preach Wahhabism, a very conservative form of Islam, not just in Saudi Arabia but all over the world, including in the United States. The potential for mischief is great. Rogue elements could be secretly funding terrorists, perhaps by scamming unwitting members of the royal family. There is a thin line between militant Islam and terrorism, and the Saudis have not always been mindful of the difference. Saudi intelligence officials scoff, however, at the suggestion that Prince Bandar's wife is being used to provide a slush fund for black ops. "To think that my government uses the bank account of the ambassadress to pay informants is both ludicrous and insulting," said Turki Al Faisal, former chief of Saudi intelligence.

### **A LOOK UNDER THE FLOORBOARDS**

The FBI is still trying to figure out if al-Bayoumi played a role in the 9-11 plot. Within a few days of the attacks last fall, New Scotland Yard, working with the FBI, had found him enrolled in a business graduate program at Birmingham, England's Aston University. The British investigators arrested al-Bayoumi, and tore up the floorboards in his house. They discovered records of phone calls to two diplomats in the Saudi Embassy in Washington. The officials, who worked in the Islamic section of the embassy, which supports mosques and Islamic charities, apparently offered innocent explanations to FBI investigators. Al-Bayoumi, who adamantly denied any connection to the attacks or knowledge of the hijackers' links to Al Qaeda, was released after a week without charge, and is believed to have disappeared to Saudi Arabia. Now the gumshoes "are desperate to find out whatever they can about this guy," says Kerry Steigerwalt, a lawyer for a young Yemeni student recently grilled by the FBI about al-Bayoumi.

Before he vanished, al-Bayoumi offered a benign explanation of how he met with Almihdhar and Alhazmi. He told investigators that he just happened to be in a restaurant at the Los Angeles airport and overheard the two men talking in Arabic. He introduced himself and offered to help the two newcomers get settled and adjust to life in southern California. It was a chance meeting, he insisted to the skeptical agents. His offer of help was nothing more than the usual charity extended by one Muslim "brother" to another.

Al-Bayoumi was a familiar figure in San Diego's burgeoning Islamic community. He was often seen at the mosque or at social functions, chatting amiably, almost always holding a video camera. Al-Bayoumi seemed to pay so much attention to the comings and goings of young Saudi college students that some were convinced that he was a Saudi government spy. "He was always watching them, always checking up on them, literally following them around and then apparently reporting their activities back to Saudi Arabia," said Henry Bagadan, a Pakistani businessman who worships at the San Diego Islamic Center.

### **A VOCAL QAEDA SYMPATHIZER**

After al-Bayoumi left San Diego in July 2001, the cashier's checks purchased by Princess Haifa continued to flow to Majeda Dweikat, who in turn signed many of them over to her husband, Osama. Basnan also befriended the two hijackers, Almihdhar and Alhazmi. After the terrorist attacks, Basnan, who was known as a vocal Qaeda sympathizer, "celebrated the heroes of September 11" and talked about "what a wonderful, glorious day it had been," according to a law-enforcement official. Wife Dweikat appears to have been at least a minor scamster. She was convicted of marriage fraud to obtain immigration papers and pleaded guilty—along with al-Bayoumi's wife, Manal—to shoplifting in April 2001. The checks from Princess Haifa stopped when Basnan was arrested for visa fraud last August. (He told a judge, "I love this country," but was ordered deported to Saudi Arabia.) Interestingly, Osama Basnan showed up in Houston last April when Saudi Crown Prince Abdullah came to town with a vast entourage en route to President George W. Bush's ranch. According to informed sources, Basnan met with a high Saudi prince who has responsibilities for intelligence matters and is known to bring suitcases full of cash into the United States—a practice not unheard-of among the Saudi elite. A Houston police report obtained by NEWSWEEK shows that Basnan complained he had been robbed of his Saudi passport and \$400. It is dated April 25, the same week the crown prince was in town.

The congressional investigators looking into 9-11 argue that the Feds aren't doing enough to stop another attack. The FBI's failure to thoroughly investigate the Saudi connection reveals the bureau's inherent weakness as a counterterror organization, these investigators tell NEWSWEEK. Senator Graham has been pushing for a new domestic-intelligence service, modeled on Britain's M.I.5, to track terror cells in this country. Graham says he fears that a concealed terrorist "infrastructure" set up to support the 19 hijackers is still in place—waiting for a new call to action.

The Bush administration has been reluctant to give the congressional committee investigating 9-11 everything it asks for. Cheney and others believe that Congress is intruding on the executive branch's intelligence-gathering and foreign-policy-making powers and that a "witch hunt" will distract and hobble the CIA and FBI. But the administration may also worry that if investigators keep digging, the U.S.-Saudi relationship will wind up in a deep hole.

**With Jamie Reno in San Diego, Dan Klaidman and Mark Hosenball in Washington and Christopher Dickey in Paris**

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