

Top Investigator in 9/11 Victims' Lawsuit Faces Libel Action

Saudi billionaire alleges significant errors in book on terrorist financing linking him to Bin Laden.

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WASHINGTON — When lawyers for the families of the Sept. 11 victims filed a \$1-trillion lawsuit against banks, charities and individuals who purportedly funneled money to Al Qaeda, they named as their lead investigator Jean-Charles Brisard, who had written a book on terrorist financing.

Now the French business analyst and financial investigator is himself the subject of a lawsuit — a libel suit filed by a billionaire Saudi banker, Khalid

bin Mahfouz, whom Brisard has described as a key supporter of Osama bin Laden.

The suit against Brisard and coauthor Guillaume Dasquié, filed last Wednesday in Belgium — and another filed two days earlier against The Mail on Sunday, a British newspaper that has repeated several of Brisard's assertions — lays out what is described as a series of significant errors in the book. If upheld, the libel action could undermine Brisard's credibility and, by extension, the Sept. 11 lawsuit.

Ronald Motley, a lawyer for the Sept. 11 plaintiffs, said he

now plans to amend his complaint, filed in U.S. District Court here, and additionally charge Bin Mahfouz with attempting to intimidate a material witness by pursuing the libel action.

"Brisard is an internationally recognized expert, and Bin Mahfouz is the king of terror financiers and a recognized supporter of Bin Laden," Motley said. But in the libel suit, Bin Mahfouz's lawyers cited what they described as many false statements by Brisard and Dasquié — such as saying that the Saudi's sister is married to Bin Laden.

The book, "Forbidden Truth," describes a Saudi conspiracy to support Al Qaeda. It calls Bin Mahfouz the "banker of terror" and "one of the principal

supporters of Osama bin Laden."

Jean-Pierre van Cutsem, an attorney for Bin Mahfouz, is asking for damages, legal expenses and a halt to further publication of the book, which was published in late 2001 in France and last year in the United States and Britain. The complaint, filed in Belgium because France has a three-month statute of limitations for libel cases, said the book is "based on false and unverified information [that] cast a slur" on Bin Mahfouz, who has vigorously denied supporting terrorist groups or activities.

Lawyers for Bin Mahfouz have compiled a lengthy list of what they describe as mistakes in the book. "Forbidden Truth"

says the Saudi financier is 73; the lawyers say he will turn 54 in April. The book says Bin Mahfouz's father moved to Saudi Arabia from Yemen in 1922; the lawyers say he came to the kingdom 13 years later. The book says a company run by Bin Mahfouz's brother Waleed is suspected of donating money to Bin Laden-linked charities; lawyers say that none of his brothers is named Waleed and that none is associated with Bin Laden.

Specific statements that Bin Mahfouz considers libelous include the book's assertion, citing congressional testimony by former CIA Director R. James Woolsey in 1998, that the banker's "close ties" to Bin Laden were strengthened by his

sister's marriage to the terrorist leader. This statement was repeated in the Sept. 11 relatives' lawsuit, which identifies the sister as "Kaleda."

Cherif Sedky, an American lawyer who lives in Saudi Arabia and is Bin Mahfouz's chief legal advisor, said the banker has no sister with that name, nor any sister married to Bin Laden.

In his testimony, Woolsey, who left the CIA in 1995, said his information was not based on U.S. government sources. In a recent interview, he said his testimony referred to a "Mr. Hafous," not Mahfouz.

Other comments Woolsey made during his testimony strongly suggest that he was re-

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ferring to Bin Mahfouz, but he now disputes the remarks attributed to him by Brisard. "I don't know what to say other than that there was some confusion, but I never meant to refer to Bin Mahfouz's sister," Woolsey said.

Sedky also denied the book's allegation that National Commercial Bank, which Bin Mahfouz headed, made millions of dollars in suspicious transfers to Bin Laden-affiliated charities. "Forbidden Truth" implies discovery of the transfers caused Bin Mahfouz's removal from the bank in 1999; Sedky said he resigned for health reasons.

Brisard's book also contends that Bin Mahfouz was a "top executive" and "key figure" in the Bank of Credit and Commerce International. The bank, which laundered drug-trafficking and terrorist money and financed illegal arms deals, collapsed in 1991 and its officials subsequently pleaded guilty to federal fraud, racketeering and conspiracy charges in the United States.

Bin Mahfouz, who was an investor and outside director of BCCI, was accused of fraud in 1992 for withdrawing a large investment from the bank before its collapse. He paid \$225 million

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as part of a settlement with the state of New York and the Federal Reserve Board, but the criminal case was dropped and Bin Mahfouz never pleaded guilty to any offense.

Michael Nussbaum, an attorney with Ropes & Gray who is representing Bin Mahfouz against the relatives' lawsuit, previously sued the Saudi on behalf of BCCI's liquidators. He said Brisard's description of Bin Mahfouz's role suggested that he was directing bank business and was guilty of money laundering and other crimes BCCI committed. "There is no evidence that he held an executive position, top or

otherwise, or that he had any managerial responsibilities," Nussbaum said.

Brisard stands by his reporting. He said last week a Bin Laden relative confirmed the marriage of Bin Laden and Bin Mahfouz's sister. He also said he has seen bank transfers and reports that clearly link Al Qaeda with National Commercial Bank. Bin Mahfouz's name does not appear on the Treasury Department's list of individuals and organizations that provide financial or other support to terrorists, and his alleged role in sponsoring terrorism is the subject of debate within the U.S. in-

telligence community.

Vincent Cannistraro, a former CIA chief of counter-terrorism, said he had no direct knowledge but has been told by both Saudi and American intelligence officials that Bin Mahfouz was complicit in transferring funds to Bin Laden through charities.

But Robert Baer, a CIA Middle East case officer who retired in 1998, said he never saw any intelligence indicating that Bin Mahfouz was funding terrorism. "It's possible that that changed post-1998, but it would have run contrary to everything that we knew about him," Baer said. "You can never exclude the pos-

sibility, but in the absence of proof, you have to assume the guy is innocent."

Baer, who is writing a book about Saudi Arabia and the financing of the Sept. 11 attacks, said that giving to charity is one of the five pillars, or requirements, of Islam. While some charitable giving might have been diverted to Al Qaeda, it doesn't mean that Bin Mahfouz or every donor intended to finance terrorism, Baer said.

"By the same standard," Baer added, "you could lock up three-quarters of the Irish barkeepers in Boston for supporting terrorists in the IRA."