

Aid to Yemen: *Throwing Good Money After Bad?*

Testimony by Jonathan Schanzer
Vice President, Foundation for Defense of Democracies

Hearing before the House Committee on Foreign Affairs
“Yemen on the Brink: Implications for U.S. Policy”

Washington, DC
February 3, 2010

Chairman Berman, Ranking Member Ros-Lehtinen, and distinguished Members of the House Committee on Foreign Affairs, on behalf of the Foundation for Defense of Democracies, I commend you for holding this important and timely hearing. Moreover, I wish to thank you for the opportunity to address you today about the challenges of supporting the counterterrorism effort in Yemen.

I had the opportunity to visit Yemen in June of 2003. I traveled there upon the invitation of the Yemeni ambassador to the United States to conduct research on an al-Qaeda affiliate group known as the Islamic Army of Aden-Abyan. During my visit, I met with several high-level officials and journalists who made a convincing argument that Yemen was making great strides to defeat the terrorists in its midst. Upon my return from Yemen, I wrote several articles praising Yemen's efforts. However, one year later, it became clear that Yemen's efforts were fleeting. I now believe that Yemen has failed us as a partner in the war on terror.

The following testimony recounts Yemen's problems with terrorism, its attempts to counter those problems with U.S. assistance, and its subsequent failure, culminating in the recent attempted bombing by Umar Farouk AbdulMutallab of an airplane headed to Detroit after he received training and indoctrination in Yemen.

Terrorism in Yemen

The al-Qaeda network has been active in Yemen since its inception in 1989. After the Soviets withdrew from Afghanistan, Yemeni Afghans returned to their homeland and began setting up training camps. Several analysts assert that bin Laden recognized that Yemen was fertile ground for his network and even considered moving al Qaeda's base of operations there. Others point out that bin Laden's father, Mohammed bin Laden, hailed from the Yemeni village of Hadramawt.

Bin Laden's network attempted its first known attack against U.S. soldiers bound for Somalia in 1992. In subsequent years, al-Qaeda used Yemen to house some of its business fronts and safe houses, which served as financial, logistical, and passport-forgery centers.¹ At one point, bin Laden was reported to have a ceramics manufacturing firm in Yemen. Additionally, several businesses in Yemen's honey industry were listed by the U.S. Treasury as fronts to launder terrorist funds.² Other fronts undoubtedly remain.

¹ Michael Scheuer, *Through Our Enemies' Eyes: Osama Bin Laden, Radical Islam, and the Future of America*. (Washington, D.C.: Brassey's, 2002), pp. 112, 126; Rohan Gunaratna, *Inside Al Qaeda: Global Network of Terror*. (NY: Columbia University Press, 2002), pp. 12, 139–40.

² Simon Reeve, *The New Jackals: Ramzi Yousef, Osama bin Laden and the Future of Terrorism* (Boston: Northeastern University Press, 1999), p. 207.

The Islamic Army of Aden (IAA) did not emerge as a structured al-Qaeda affiliate until the late 1990s, when its leader Zein al-Abidin al-Mihdar (aka Abu al- Hassan) released communiqués criticizing Sanaa’s policies and calling for the overthrow of the government.³ After a series of smaller operations, the IAA adopted a bold new strategy in 2000: attacking high profile U.S. targets. Together with members of the al-Qaeda core, the group carried out a failed attempt on the USS The Sullivans, and then a deadly attack on the USS Cole.⁴ Despite clear evidence of al-Qaeda’s involvement, Yemeni security cooperation was slow and begrudging. This led some U.S. security officials to assert that the Yemeni security apparatus had been penetrated by al-Qaeda elements.

Tensions between Washington and Sanaa continued through 2000 and 2001. The State Department reported that Yemen was a safe haven for other al-Qaeda’s affiliates, including Egyptian Islamic Jihad, al-Gamaa al- Islamiyya, and the Algerian Armed Islamic Group, as well as members of al-Qaeda’s upper echelon. U.S. officials also established links between the twin embassy bombings of 1998 in East Africa, the Cole attack, and 9/11.⁵

Yemen soon became one of the more active fronts in the war on terror. In April 2002, an explosion rocked the Civil Aviation building in Sanaa. In August 2002, Sanaa authorities discovered large quantities of Semtex explosives hidden among pomegranates.⁶ On October 6, 2002, al-Qaeda’s Yemeni network attacked the French tanker, The Limburg, in the port of al-Dabbah. The attack killed one and injured seventeen. On November 3, 2002, a group of al-Qaeda operatives attempted to shoot down a U.S. oil company helicopter with SAM missiles and a barrage of automatic gunfire, injuring two people.⁷ After initially denying that it had a terror problem, Sanaa soon admitted that it needed to take more drastic steps.⁸

Counterterrorism in Yemen

Even before this rash of terrorist attacks, Sanaa launched an effort in 1996 to deport illegal immigrants and suspected foreign terrorists. After the U.S.S. Cole bombing, the government worked to monitor mosques and Islamic organizations, and launched a public relations campaign whereby clerics convinced young radicals of the anti-Islamic nature of jihadism. Concurrently, government officials warned the public of terrorism’s cost to

³ “Aden Islamic Army Threatens the American and British Ambassadors if they do not Leave Yemen,” March 12, 1999, <http://www.library.cornell.edu/collddev/mideast/feat9en.htm>, verified by a senior U.S. official, Washington, D.C., August 13, 2003.

⁴ Peter Bergen, *Holy War, Inc: Inside the Secret World of Usama bin Laden*. (NY: Free Press, 2001), p. 168; Jason Burke, *Al-Qaeda: Casting A Shadow of Terror*. (NY: I.B. Tauris, 2003), pp. 192–93.

⁵ *Patterns of Global Terrorism, 2000; Patterns of Global Terrorism, 2001; Terror in Yemen*, p. 63.

⁶ Susan Schmidt, “Yemen Recovers Huge Cache of Explosives from Blast Site,” *Washington Post*, September 11, 2002.

⁷ *Terror in Yemen: Where To?* (Sanaa: 26th September Publications, 2002), pp. 26 & 55.

⁸ Hammoud Mounassar, “Yemen Finally Admits Deadly French Tanker Blast Was Terror Attack,” *Agence France Presse*, October 17, 2002.

the economy. Sanaa also upped its cooperation with British Special Forces, U.S. Special Forces, the CIA, and the FBI.⁹ It even allowed U.S. the use of its air space and waters.¹⁰ By March 2003, Yemen reportedly had received about \$100 million in U.S. aid for counterterrorism.¹¹

This increased effort yielded results almost immediately. On November 5, 2002, based on Yemeni intelligence, the CIA tracked al-Qaeda operatives driving in the desert region of Marib. The agency launched a Hellfire missile on them from a Predator UAV, killing six people, including Qaed Salim Sinan al-Harethi, a high-level al-Qaeda operative who had taken part in the attack on the Cole. Also killed were several IAA cadres and Kamal Derwish, the alleged leader of the “Lackawanna Six,” a Yemeni al-Qaeda cell that was discovered outside of Buffalo, New York in 2002.¹²

The cooperation did not end there. Indeed, these ties yielded a number of arrests, including Fawaz al-Ribeidi and Nasser Megalli, two high profile al-Qaeda suspects, in April 2003.¹³ In June, Yemeni forces attacked an al-Qaeda hideout in Hattat, with the help of U.S. Special Operations forces. Other arrests in connection to the Limburg and Cole bombings were made through the end of the year. All the while, Yemen was tightening its control over its mosques.¹⁴

Counter-Counterterrorism in Yemen

Yemen’s unlikely success story was remarkable at the time. It prompted rare praise from both the Departments of Defense and State during the George W. Bush Administration. However, Sanaa’s efforts began to unravel.

In April 2003, ten U.S.S. Cole suspects escaped from a Yemeni jail. This was shocking; jailbreaks are almost never reported in the Arab world. Indeed, the incident raised the question of whether some elements of the security services had allowed the jailbreak to occur. Then, in autumn 2003, Yemen also made some surprising changes to its counterterrorism policy. President Ali Abdullah Saleh announced that he would release dozens of militants with links to al-Qaeda as long as they “pledged to respect the rights of non-Muslim foreigners living in Yemen or visiting it.” By late November, as many as 146 prisoners suspected of having al-Qaeda links were scheduled to be released.¹⁵

⁹ Interview with Dr. Rashad al-Alimi, Minister of the Interior, Sanaa, Yemen, June 14, 2003.

¹⁰ “Yemen Allows U.S. Use of Air Space, Waters,” *Middle East News Line*, November 19, 2002.

¹¹ Jane Perlez, “Gunman Kills 3, Then Himself, At American Oil Rig in Yemen,” *New York Times*, March 14, 2003.

¹² Walter Pincus, “U.S. Strike Kills Six in Al-Qaeda; Missile Fired by Predator Drone; Key Figure in Yemen Among Dead,” *Washington Post*, November 5, 2002, p.A1.

¹³ “Yemen arrests key al Qaeda suspects,” *Reuters*, June 4, 2003.

www.talktalk.co.uk/news/world/reuters/2003/04/06/yemenarrestskeyalqaedasuspects.html

¹⁴ Khaled al-Mahdi, “Yemen Tightens Grip on Mosques,” *Arab News* (Saudi Arabia), June 9, 2004.

¹⁵ Jonathan Schanzer, “Catch and Release Doesn’t Work,” *Weekly Standard*, July 23, 2007, www.weeklystandard.com/Content/Public/Articles/000/000/013/872kgeeb.asp

Yemeni officials insisted that the amnesty would not detract from Yemen's overall efforts to fight terrorism. Senior figures privately explained that the release had to be viewed within the context of tribal politics. By releasing the "less dangerous" suspects, Sanaa would maintain relations with influential tribes that play a significant role in Yemeni counterterrorism efforts. Officials also noted that the prisoners would not be released entirely on their own recognizance; their families had to sign for them. However, officials also admitted that it never had plans (or the resources) to track the activities of those they released.¹⁶

The first sign that things went wrong was the fact that Yemenis were arriving Iraq in disproportionate numbers as the insurgency began to gain momentum in 2004. According to one report, as much as 17 percent of the foreign fighters in Iraq hailed from Yemen.¹⁷

Yemen vs. The U.S. 1267 Committee

Yemen's shirking of its counterterrorism responsibilities continued in the wake of the February 2004 designation of Abdul Majid al-Zindani by the U.S. Treasury. In naming Zindani a Specially Designated Global Terrorist (SDGT), the Treasury noted that he had a "long history of working with bin Laden" as a "spiritual leader," that he helped recruit for al-Qaeda, and that he served as a contact for the Iraqi group tied to bin Laden's network known as Ansar al-Islam.¹⁸

Yemen was required to take action against Zindani because the United Nations also placed him on the U.N. Security Council Resolution 1267 Consolidated list of individuals and entities tied to al-Qaeda, Usama bin Laden and the Taliban. Indeed, once Zindani was placed on that list, Yemen was to strip him of his passport and freeze his assets.¹⁹

Until today, the Yemeni government has not stripped Zindani of his passport in accordance with U.N. resolutions, nor has it frozen Zindani's assets. In fact, Zindani traveled to Mecca, Saudi Arabia in December 2005 to attend the Summit of the Organization of the Islamic Conference.²⁰ Remarkably, he attended the conference as part of President Ali Abdullah Saleh's official delegation.²¹

¹⁶ Phone interview with Saleh advisor, November 25, 2003.

¹⁷ Asaf Maliach, "The Global Jihad – The Yemeni Connection," International Institute for Counter-Terrorism, March 20, 2006 (updated), www.ict.org.il/Articles/tabid/66/Articlsid/207/currentpage/10/Default.aspx

¹⁸ "United States Designates Bin Laden Loyalist," U.S. Treasury Press Release, Feb. 24, 2004, www.treas.gov.

¹⁹ United Nations Security Council, "The Consolidated List established and maintained by the 1267 Committee with respect to Al-Qaida, Usama bin Laden, and the Taliban and other individuals, groups, undertakings and entities associated with them," U.N. Security Council, January 25, 2010. www.un.org/sc/committees/1267/consolidatedlist.htm

²⁰ "Bin Laden Loyalist, Wanted by the U.S. Yemenite Sheikh Abd Al-Majid Al-Zindani, in Support of Palestinian Suicide Bombers at a Hamas Fundraiser Live on Al-Jazeera," *Memri Special Dispatch No. 1129*, March 29, 2006. www.memri.org/report/en/0/0/0/0/0/1651.htm

²¹ "Bin Laden Loyalist, Wanted by the U.S. Yemenite Sheikh Abd Al-Majid Al-Zindani, in Support of Palestinian Suicide Bombers at a Hamas Fundraiser Live on Al-Jazeera," *Memri, Dispatch No. 1129*, March 29, 2006.

In February 2006, the United States formally asked Yemen to arrest Zindani, but Yemen apparently refused. In the U.S. State Department's *Country Reports on Terrorism 2007*, it is noted that Yemen has "continued to take no action to bar his [al-Zindani's] travel or freeze his assets in compliance with its U.N. obligations."²²

Yemen Unravels

Things went from bad to worse in 2006, when authorities foiled two al-Qaeda suicide attacks against Yemeni oil and gas installations.²³ While tragedy was averted, it was an indication that Yemen was coming undone. More than twenty accused terrorists had escaped that same year from a jail in Sanaa.²⁴ Analysts again wondered whether the government chose to look the other way. Regardless, the damage had been done. Nasir Wahishi, a former close associate of bin Laden was one of the escapees. He later went on to lead the Yemeni branch of "Al-Qaeda of the Arabian Peninsula."²⁵

In 2007, even as the Yemeni government rounded up additional suspects and announced a \$75,000 reward for information leading to the capture of others, the government released at least three other high value prisoners, including bin Laden's former bodyguard Fawzi al-Wajeh and Ali Mohammed al-Kurdi, who was sentenced to death for his role in suicide bombings in Iraq and a hotel bombing in Yemen's port city of Aden.²⁶ Indeed, the U.S. government suspended its \$20 million in aid after learning that the Yemenis also freed Jamal al-Badawi, an organizer of the attack on the U.S.S. Cole.²⁷

Not surprisingly, as Yemen continued to allow terrorists to roam free, attacks continued to take place. On July 2, 2007, nine people, including seven Spanish tourists, were killed by a suicide bomber driving an explosives-laden car at an archaeological site. The aforementioned al-Qaeda franchise calling itself "Al-Qaeda of the Jihad in Yemen" claimed responsibility for the carnage.²⁸ The following year, in September 2008, the group was responsible for a rocket-propelled grenade attack on the U.S. embassy in Sanaa.²⁹

Hamas Ties

www.memri.org/report/en/0/0/0/0/0/1651.htm; U.S. Department of State, *Country Reports on Terrorism 2005*, Office of the Coordinator for Counterterrorism, April 28, 2006, p.147. www.state.gov/documents/organization/65472.pdf

²² U.S. Department of State, *Country Reports on Terrorism 2007*, Office of the Coordinator for Counterterrorism, April 2008, p. 131. www.state.gov/documents/organization/105904.pdf

²³ Eric Watkins, "Al Qaeda attacks in Yemen latest to target oil," PennEnergy, April 7, 2006,

²⁴ Barbara Starr and Terry Frieden, "Second Terrorist ID'd in Yemen Jailbreak," cnn.com, February 8, 2006, www.cnn.com/2006/WORLD/asiapcf/02/08/yemen.escape/index.html

²⁵ Andrew England, "Origins of Group Traced to Sana'a Jailbreak," *Financial Times*, December 29, 2009. www.ft.com/cms/s/0/98e0ba62-f4a3-11de-9cba-00144feab49a.html

²⁶ Kathy Gannon, "Yemen Employs New Terror Approach," Associated Press July 4, 2007, www.washingtonpost.com/wp-dyn/content/article/2007/07/04/AR2007070400992.html

²⁷ Ellen Knickmeyer, "Attack Against U.S. Embassy in Yemen Blamed on Al-Qaeda," *Washington Post*, September 18, 2008, [/www.washingtonpost.com/wp-dyn/content/article/2008/09/17/AR2008091700317.html](http://www.washingtonpost.com/wp-dyn/content/article/2008/09/17/AR2008091700317.html).

²⁸ "Suicide Bomber Attacks Tourists at Yemen Temple, Killing 9," Associated Press, July 3, 2007, www.nytimes.com/2007/07/03/world/middleeast/03yemen.html

²⁹ "Sada al-Malahim (Echo of the Epic Battles)" Jihadist Magazine published by al-Qaeda of the Arabian Peninsula, November 9, 2008.

While Yemen's efforts to fight al-Qaeda have deteriorated, its efforts to combat other terrorist groups, such as Hamas, are non-existent. President Ali Abdullah Saleh has welcomed Hamas delegations on several occasions. He met with Hamas leader Khaled Meshal in Yemen in the wake of the Palestinian intifada of 2000 to express "solidarity."³⁰ Two years later, Saleh confirmed that his country had raised 1.6 billion Yemeni Riyals (about \$7.8 million) for Hamas, in addition to "donations in kind."³¹

The Hamas visits continued throughout the decade. In 2008, the president welcomed a high level delegation from the terrorist group that included Meshal, Said Siyyam, and Musa Abu Marzuq.³² More recently, a Yemeni news agency announced that Yemen had opened a paramilitary training camp for foreigners to train for jihad in Gaza.³³

Guantanamo Bay

While Yemen's president continues to court Hamas, the al-Qaeda problem in Yemen gets worse. The failed bombing of an American airliner on Christmas Day last year was merely an indicator of what may come. Out of the 74 Guantanamo Bay prisoners that returned to jihadism, at least a dozen have rejoined al-Qaeda to fight in Yemen. Despite this and Sanaa's spotty track record in recent years, the government has indicated that it seeks to welcome nearly 100 additional former inmates from the Cuban prison facility.³⁴

It is therefore appropriate to point out what my colleague FDD Senior Fellow Thomas Joscelyn has written in the pages of the *Weekly Standard*. He notes, along with author Stephen F. Hayes, "the Gitmo problem is also a Yemen problem." Indeed, as long as Yemen fails to take counterterrorism seriously, the transfer of Guantanamo prisoners is ill-advised.

The Challenges Ahead

Some analysts posit that there is little Yemen can do to solve its terrorism problem. After all, modern Yemen has proven a difficult country to rule for centuries. The government operates through a primordial federal system, making the best of the bad political hand it was dealt when the country was unified in 1990. While Saleh's government projects authority in most of Yemen's towns and cities, it lacks the resources to effectively control large patches of the countryside. Powerful tribal patriarchs sometimes disregard parameters set by Sanaa, and tribal interests often supersede respect for state law.

³⁰ "Yousef Azizi Bani Tarafi, "Interview with Hamas Political Bureau Chief," *Hamshahri* (Iran), December 23, 2000, p.6.

³¹ "Yemeni President Meets Security Officials," SABA Yemen News Agency, May 4, 2002.

³² Arwa al-Anesi, "Hamas Leader Khalid Misha'al Arrives in Sanaa," *Yemen Post*, July 14, 2008, www.yemenpost.net/38/LocalNews/20086.htm

³³ Jane Novak, "Arabian Peninsula Al-Qaeda Groups Merge," *Long War Journal*, January 26, 2009, www.longwarjournal.org/archives/2009/01/arabian_peninsula_al.php

³⁴ Tom Coghlan, "Freed Guantanamo Inmates are Heading for Yemen to Join al-Qaeda Fight," *The Times* (London), January 5, 2010, www.timesonline.co.uk/tol/news/world/middle_east/article6975971.ece

Still, Yemen is not a country of chaos. Yemeni society has an identifiable rhythm and age-old order. Saleh, for his part, has been in power since 1978. He knows how to rein in tribal elements when they stray too far.

In short, the terrorism problem in Yemen is not insurmountable. However, if the Saleh government continues to allow terrorists to roam free, the problems in Yemen will continue to mount. While not all of the terrorism problems were originally of Yemen's making, most of them now are. It is up to the Yemeni government to fix them.

The current thinking in Washington is that Yemen needs our help. It undoubtedly does. However, upping our aid to Yemen without strict preconditions it is not the answer. The Yemenis must prove they will put our taxpayer funds to good use, rather than squander them, as they have in recent years. The government of Ali Abdullah Saleh must prove first that it has a plan for fighting terrorism, and relay that plan to officials from relevant U.S. agencies before we commit to these efforts with taxpayer money. Indeed, Yemen should articulate clearly how it intends to reverse the poor policy choices that have brought us to this point today.

There are, of course, those who would argue that Washington has little choice in the matter. We cannot afford to allow Yemen to become a terrorist haven. This is undoubtedly true. Yemen is a critical front among several in the global confrontation against militant Islamist forces.

But we must also remember that U.S. aid is never guaranteed. U.S. allies must earn it by acting like allies. In recent years, Yemen has failed to hold up its end of the deal. It must now go a long way to demonstrate that it is ready to get serious about combating terrorism again.

On behalf of the Foundation for Defense of Democracies, I thank you again for inviting me to testify before this distinguished committee on a critical issue.