

A portion of CHAPTER 5. FINANCES

It is one matter when funds acquired by the PLO—whether illicitly or via honest investment—are not employed in ameliorating the hardships of the Palestinian people. It is quite another when funds and materials donated to the PA **specifically for the benefit of the people** end up in private pockets or utilized for illegitimate purposes. Yet an examination of the carefully veiled and thoroughly corrupt financial affairs of the PA makes it quite clear that this sort of theft has been commonplace. The PA, in fact, is notorious for its lack of transparency and accountability in matters of money:

- Israeli investigators have discovered that since 1996 the PA has been selling food and medicine donated by the UN.¹
- In June of 2002, the Arab daily *Al-Watan* reported that Yasser Arafat deposited into a personal account \$5.1 million in foreign aid money that had been intended for needy Palestinians; this was to cover “some” of Arafat’s expenses, which included provision for his wife Suha and their daughter, living in Paris and Switzerland.² In fact, in February 2004, the Paris District Prosecutor launched an investigation into suspicious money transfers totaling \$11.5 million to Suha’s bank accounts.³
- Arafat has also appropriated money donated for the people by Arab states and diverted it to the purchase of additional shares in the Jordan Cement Company in his name. He did this anticipating that destruction of Arab housing in the course of the Israeli incursion into the West Bank was going to stimulate construction and raise the price of cement. Money that had been donated by some of the Gulf States to help people who had lost their homes to rebuild went to “PA leaders close to Arafat and several top official of Fatah.”⁴
- After the signing of the Oslo Accords, Israel, complying with what was stipulated, transferred to the PA the pension funds of Palestinians who had worked for the Israel Civil Administration. The fund in Gaza alone was worth \$160 million. By late 1997, \$104 million had disappeared.⁵

All of this represents the merest tip of a very large iceberg: The personal fortune of Yasser Arafat is estimated at \$3.1 billion. According to Israeli military intelligence, Arafat and his cronies jointly are worth \$20 billion.⁶

Most of this is buried in Swiss accounts and foreign real estate, but Arafat spreads his “largesse” more locally to members of his coterie as well: Prime Minister Abu Ala has an ostentatious villa in Jericho estimated to be worth \$1.5 million; Nabil Amar received \$50,000 from Arafat for the wedding of his daughter; Nabil Sha’ath’s son, studying in France, receives an extremely generous allowance from Arafat; yet another Arafat intimate received \$100,000 to build a house.⁷ Yasser Abbas, the son of Abu Mazen, received financial assistance from the PA so that he might gain a controlling interest in its electronics industry.⁸

The PA has been the recipient of enormous sums of money donated for humanitarian and operational purposes. They have received \$1.5 billion from the European Union since 1993, and \$1 billion from the Arab League since 2000. In 2002, they received \$1.3 billion in private donations, which—according to the World Bank—makes this the largest per-capita

contribution to any group since World War II.⁹ In addition, revenue comes to the PA from such sources as taxes.

Severe irregularities in the way the PA manages these humanitarian and operational funds have, at this point, been well documented.

¹ Ike Seamans, "What do Palestinians do with humanitarian-aid money?" *The Miami Herald*, July 25, 2003.

² "Arafat stole \$51. million foreign aid," WorldNetDaily.com, Jun 15, 2002.

³ *Ma'ariv*, February 10, 2004.

⁴ *Ibid.*

⁵ Ehrenfeld, *op. cit.*

⁶ Seamans, *op. cit.*

⁷ "The Involvement of Arafat, PA Senior Officials and Apparatuses in Terrorism against Israel, Corruption and Crime," a report prepared under supervision of Dani Naveh, Israeli Minister of Parliamentary Affairs.

⁸ Seamans, *op. cit.*

⁹ *Ibid.*