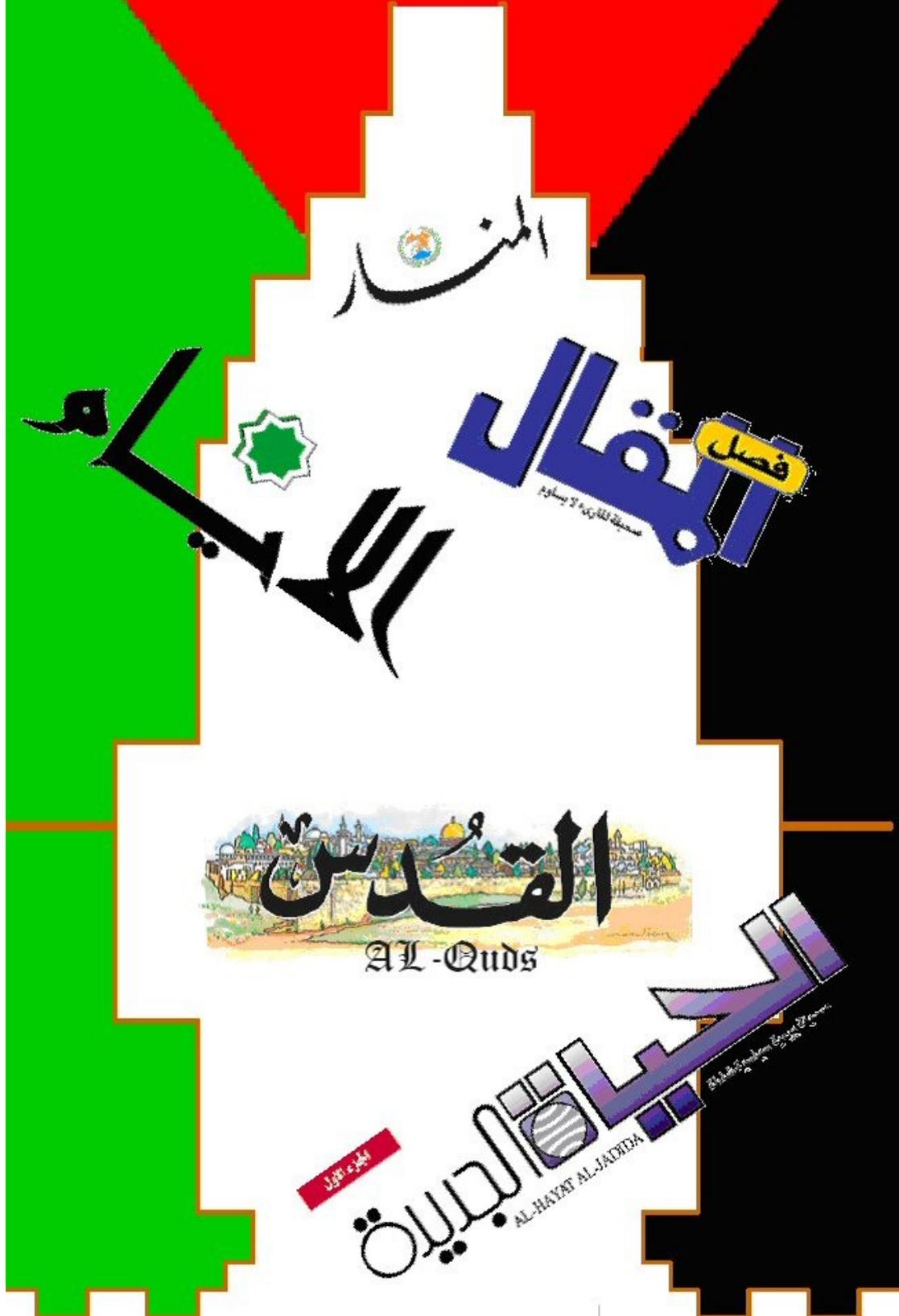


Inside the PA



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Editor's note:

Welcome to the eighth edition of "Inside the PA," a weekly on-line publication designed to provide an open-source and yet valuable insight into the workings of the Palestinian Authority. We will review important statements by senior PA officials and developments within Palestinian society as taken from the Palestinian and Arab media.

QUOTABLE

" I cannot count the numbers because I'm not an accountant."

-- Attorney General Al Meghani said billions of dollars might have been embezzled from the PA.

This Week in the PA

- *In Cairo, Egyptian leaders meet Hamas delegation*
- *In Ramallah, PLC prepares to convene first session*
- *In Ramallah, PA seeks to pay January salaries*
- *In Gaza City, Palestinians continue attacks on Western facilities*

NEWS DIGEST

1. FATAH READY TO JOIN HAMAS AGAINST ISRAEL
2. HAMAS: ALL ACCORDS WITH ISRAEL ANNULLED
3. PALESTINIAN MEDIA HIGHLIGHT ATTACKS ON EU
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Fatah Ready to Join Hamas Against Israel

The Fatah movement, which controls the Palestinian Authority security agencies, said it is ready to join Hamas in the war against Israel.

Former Civil Affairs Minister Mohammed Dahlan, regarded as Fatah's chief in the Gaza Strip, said the movement would not join Hamas in any government. But Dahlan said Fatah was ready to fight alongside Hamas against Israel.

Dahlan told Egypt's Nile Channel on January 29 that he hoped Hamas would succeed in joining forces with Fatah in a war against Israel. Dahlan also said Hamas would also run military facilities.

"Certainly we will join forces in facing Israel, and Hamas announced that it will join its forces, will lead a struggle against Israel and also will run bases," Dahlan said. "I hope Hamas will succeed in those three things."

So far, Hamas and Fatah have been threatening each other. On February 1, insurgents detonated a bomb in front of the house of a major commander of Dahlan's former organization, the Preventive Security Apparatus.

Seeking to prevent Fatah retaliation, Hamas leaders denied any connection to the attack on former PSA director Col. Suleiman Abu Mutlaq. The PSA, however, blamed Hamas for the bombing.

Abu Mutlaq was Fatah's candidate who ran and lost for the Palestinian Legislative Council elections in the Khan Yunis region. Hamas blamed Fatah rivals of Abu Mutlaq for the bombing, which damaged his house.

Despite Dahlan's dismissal, Hamas has not given up on Fatah participation in the next PA government. Hamas leaders told the London-based A-Sharq Al Awsat on February 4 that Egypt, Syria, and some Gulf Cooperation Council states have prepared a plan for Fatah participation in any Hamas-led government.

The newspaper said that under the plan, Hamas would agree to reduce the powers of the prime minister and the cabinet. The changes would limit the prime minister's role in foreign affairs and security, while strengthening Abbas.



Al Hayat Al Jadida. Feb. 2, 2006
President Bush as the devil: 'We won't surrender to evil.'

Under the plan, Fatah would be given several key ministries. This would include the Interior Ministry and National Security office. Hamas has not formally responded to the Arab plan.

Egypt has urged Hamas to include several Fatah figures in the next government. A-Sharq Al Awsat, as well as Al Quds reported that PLC member Ziyad Abu Amr would be offered the job of foreign minister. Salam Fayyad would be allowed to keep his post of finance minister.

Hamas: All Accords With Israel Annulled

Hamas has declared that all Palestinian agreements with Israel have been annulled.

Ahmed Bahr, a leader of the Hamas movement, told Al Quds on Feb. 1 that all agreements with Israel were annulled. Bahr said Hamas did not win the elections in the Palestinian Legislative Council on the basis of the 1993 Oslo agreements that established the Palestinian Authority.

"There is a tremendous difference in this matter," Bahr said. "We would never enter the elections on the basis of the Oslo agreements. We entered the 2006 elections in accordance with a Palestinian-Palestinian agreement in Cairo in March 2005."

"We have never said and we'll never say that we will conduct negotiations with Israel," Bahr said.



**Al Quds. Feb. 5, 2006
Palestinian seeks answer of
when the next PA government would be formed.**

Bahr said Hamas was not committed to any of the Oslo agreements that stipulated peaceful dialogue and cooperation with Israel. He said Hamas and Fatah, led by PA Chairman Mahmoud Abbas, were committed to the same aim: "the end of the Israeli occupation."

"It is true that our brother Mahmoud Abbas and our brothers in the PA say that they want to end the occupation through negotiations," Bahr said. "And we say you have negotiated more than 10 years and have not ended the occupation."

Bahr said the "resistance drove out the occupation from the Gaza Strip. I stress that I have not entered the elections on the Oslo agreements. I stress that we entered the Palestinian elections in the interest of the Palestinians."

The Hamas leaders said the purpose of the Oslo agreements was to ensure Palestinian recognition of Israel. Bahr said Oslo was designed for the Palestinian concession of 75 percent of its land as well as the annulment of the PLO covenant.

"Oslo has already brought us disaster and helped settlements, raised the level of corruption to alarming proportions and increased Israeli attacks," Bahr said.

Bahr said Hamas would unite the PA security forces and ensure that they serve the Palestinian people. He denied the assertion of Khaled Masha'al that Hamas would convert the PA forces into a Hamas army.

The position enumerated by Bahr appeared to be in the solid mainstream of the movement. Mahmoud Zahar, head of Hamas in the Gaza Strip, told Hizbullah's Al Manar television on January 25, said his movement would continue to attack Israel, refuse to recognize Israel and replace the Jewish state with a Muslim entity.

"We will not give up the resistance in the sense of Jihad," Zahar said. "Palestine means Palestine in its entirety -- from the [Mediterranean] Sea to the [Jordan] River, from Ras Al Naqura to Rafah. We cannot give up a single inch of it."

Zahar envisioned a Palestinian educational system that would instruct children to kill Jews. He said the Culture Ministry would idolize suicide bombers.

"Our Culture Ministry will teach them how the martyr is turned into prose, literature, and poetry, and how a woman, who used to cook and do the laundry, becomes one of the heroes of Palestine," Zahar said.

Hamas has been presenting positions to Arab and Islamic leaders. On February 7, Masha'al led a Hamas delegation to Cairo to meet Egyptian leaders. The delegation was sent to visit the Gulf Arab states and would seek audiences in the European Union as well.

The delegation consisted of Hamas parliamentarians Said Sayam and Mohammed Shama. Hamas spokesman Sami Abu Zuhri said Hamas would appeal for support for the Palestinian people. Abu Zhuri said Hamas has been in touch governments in the EU and the United States.

Palestinian Media Highlight Attacks on EU

In the past, the Palestinian Authority played down or censored Fatah attacks on Western diplomats or installations. But that has changed since the Hamas victory in the Palestinian Legislative Council elections.

This time, the PA-owned and -controlled media highlighted Palestinian attacks on European Union diplomatic facilities in solidarity with the pan-Muslim protests against controversial cartoons published in the European media. The cartoons which used images of Mohammed, lambasted Islamic extremism.

The most prominent Palestinian daily, Al Quds, contained a lead photograph of a demonstration at the Al Aqsa mosque at the Temple Mount in Jerusalem. In the photograph, masked Palestinians torched the Danish flag on February 3.

The newspaper did not display photographs of Palestinian attacks on the EU offices in Gaza City on February 2. Palestinian gunmen from a Fatah wing called Yasser Arafat Brigades surrounded EU offices, climbed the walls of the compound and fired into the air.



Al Quds. Feb. 5, 2006

EU diplomat gives lesson on democracy: Banning comparisons of Israel to Nazis while allowing anti-Muslim cartoons.

Another Fatah group, called the Abu Al Reesh Brigades, warned nationals from Norway, Denmark, France and Germany that their lives would be in danger. Abu Al Reesh warned of attacks unless these countries apologized by February 4.

Meanwhile, the attacks continued. On February 3, Palestinians hurled a bomb toward the French Cultural Center in Gaza City. The center was empty during the 2 AM attack.

PA security forces did nothing to stop the attacks. PA officials did little except express regret for the threats to Europeans in the PA, which sparked the flight of European diplomats and journalists.

"We cannot accept any group that takes the law into its own hands," PA Prime Minister Ahmed Qurie said.

PA Chairman Mahmoud Abbas also released a statement. On February 3, Abbas told Palestinians that Europeans could not be held responsible for the cartoons. Abbas called for Palestinians who attack Europeans to be punished. He did not say how.

With no guarantees for their safety, EU diplomats closed their offices in Gaza. A European Commission statement did not say when the offices would reopen.

"The decision to close the office continues from today until further notice on the issue." the statement said. "This decision came after a statement issued by Palestinian factions today to target Danish, French and Norwegian citizens in Gaza Strip, in response to printing insulting caricatures of the prophet Mohammad."



Al Quds. Feb. 2, 2006
The West kills the dove of Islam while sticking its nose in Palestinian elections.

But the attacks didn't stop with Western facilities. In the central Gaza Strip, two Palestinians thought to have been Westerners were kidnapped on February 4. They were released hours later when the kidnappers realized they had been mistaken in identifying their victims.

Palestinians also attacked the only Catholic church in Gaza City. Here the PA-aligned media played down the attack on the tiny Christian community in the Gaza Strip.

Instead, Al Quds on February 5 published the condemnations by the church against the controversial cartoons in the European newspapers. The newspaper also published a photograph of masked Fatah activists handing out roses to nuns from church. The nuns are not shown smiling.

Hamas Ready to Form Government

Hamas has reached agreement to begin forming a government on February 16.

Hamas reached the accord with Palestinian Authority Chairman Mahmoud Abbas on February. 4. The agreement called for the convening of the Palestinian Legislative Council, which Hamas now controls.

"We agreed with the president [Abbas] to hold the first session of the Legislative Council on February 16," Hamas parliamentary leader Ismail Haniyeh said.

Hamas leaders have stressed that they would not accept any conditions by Abbas in the formation of the next Palestinian government. Abbas said the next government must honor past accords.

Under PA law, anybody selected by Abbas would have five weeks to form a Cabinet.

"The biggest winner of the election is Hamas and it has the perfect right to nominate someone to the president, whom he will empower with a president's decree to compose the new government," PA spokesman Nabil Abu Rudeineh said. "No doubt that the next government would be a continuation of the previous one in the terms of basic policy approved by the PLO and inalienable rights explicitly agreed upon in addition to the Cairo Announcement honored by all the Palestinian factions."

Hamas leaders have been meeting in Cairo to discuss the forthcoming PA Cabinet. Those meeting are Haniyeh, Mahmoud Zahar and the de facto leader of Hamas, Khaled Masha'al, who is based in Syria.

"We will never negotiate with Israelis no matter what the reason," Zahar was quoted by the official PA news agency Wafa as saying. "We are starting the process and we are sure that within February we will be able to see a new government."

Haniyeh said Hamas would control the entire PA, including the security forces. He said reports that Abbas would take charge of all the security agencies were unfounded.

But the final word in Hamas would be uttered by Masha'al, an ally of Iran and Syria. On February 3, Masha'al published a column in the PA-owned Al Hayat Al Jadida in which he raised the prospect of a long-term truce with Israel while not recognizing the Jewish State.

"We will never recognize the legitimacy of the Zionist state that was established on our land," Masha'al wrote in a column entitled "To whom it may concern." "If you [Israel] are willing to accept the principle of a long-term truce then we will be ready to negotiate with you over the conditions of such a truce."



Al Quds. Feb. 1, 2006

Hamas presented with huge conditions for a tiny aid package.

Masha'al dismissed the calls by the United States and the European Union for Hamas to disarm. The U.S. and EU have warned of a cut in aid to the PA.

"Our message to the United States and Europe is that the attempts you

are exerting to make us abandon our principles and struggle will be wasted and will not achieve any results," Masha'al wrote. "We will never recognize the legitimacy of the Zionist state that was established on our land."

PA Admits to Massive Corruption

The Palestinian Authority, under the threat of a funding cut-off by donor nations, has admitted to massive corruption.

The PA has announced an investigation into allegations of embezzlement and corruption by senior officials. The probe determined that billions of dollars of public funds were stolen.

"I cannot count the numbers because I'm not an accountant," PA Attorney General Ahmed Al Meghani told a news conference on February 5. "It might be billions of dollars."

Al Meghani told a news conference on February 5 in Gaza City that he was investigating dozens of cases of alleged corruption. He said many of these cases involved companies with ties to the PA, citing the official oil company, broadcasting corporation and tobacco firm.

So far, 25 people have been arrested, the attorney general said. Al Meghani, who took office in September 2005, said international warrants for 10 others believed outside the PA were issued.

The attorney general said much of the money embezzled came from Western donors. He cited the Middle East Water Pipe Co., a joint venture between the PA and Italy.

Al Meghani said \$6 million was invested in the project. But he said the company was never formed.

The news conference was held after the Palestinian Legislative Council elections on January 25, in which Hamas won a resounding victory. Hamas ran on an anti-corruption

campaign.

Al Meghani, who took office last September, said he wanted to announce the results of his investigation in December 2005. But he said he was asked by PA Chairman Mahmoud Abbas to delay. Abbas was said to have been concerned that any announcement before the PLC elections would have been viewed as PA interference.

Al Meghani said the investigation was focusing on corruption of members of Fatah. He said Abbas has given the attorney general his "full support" in the investigation.

"When I end my investigation, I'm going to put out in detail all the numbers," Al Meghani said.



**Al Quds. Feb. 1, 2006
Quartet shuts off the money pipeline to the PA.**

The PA has warned that it would not have the money to pay the January salaries of 137,000 government employees. The PA was said to need \$116 million to cover the monthly payroll. Israel said it would transfer \$45 million to the PA.

"We are now trying to get money from other sources," PA Prime Minister Ahmed Qurei said. "We are in contact with Saudi Arabia, Qatar and the Gulf states. We hope we will soon get the necessary funds to pay the public workers as this money is not for factions but for the Palestinian Authority."

PA Plays Down Israeli Artillery Attack

The Palestinian Authority has been in the habit of exaggerating Israeli military attacks on the Gaza Strip. But over the last week, the PA has played down Israeli artillery strikes on Kassam missile launching sites.

Compare this: Israel's media quoted military sources on February 4 that the military fired 80-100 artillery shells toward Beit Hanoun and Beit Lahiya over the previous 24 hours. The fire was meant to retaliate against Kassam missile attacks, one of which struck a home in Kibbutz Karmiya, in which four people, including a seven-month-old baby, was injured.

The PA media, however, came up with sharply different figures for the Israeli artillery strikes. The official Wafa news agency said Israeli artillery and main battle tanks fired on February 4 at least 40 shells towards "open areas in the northern Gaza Strip inflicting material damages. But no injuries were reported."

The report quoted the PA Interior Ministry as saying Israeli artillery fired "at least 30 shells toward the north of Gaza Strip and the Beit Lahiya." The report said the shelling "caused terror and fear to the citizens particularly women and children, there were no reports of injuries."



Al Hayat Al Jadida. Feb. 1, 2006

The new PA government: a briefcase and a rifle.

The Wafa report did not consider the target of the Palestinian gunners illegitimate. Wafa said a missile struck a house in Ashkelon, "occupied and seized since 1948."

On February 5, Wafa reported that Israeli fighter-jets fired three missiles toward a vehicle and a facility of Fatah in Gaza City. The strike was said to have killed three Fatah fighters and injured eight others.

"The facility belongs to the resistance groups Al Aqsa Martyrs Brigades, the military wing of Fatah movement," Wafa said.