

Taking care of family business
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A 30-year-old bin Laden family portrait, with Osama standing third from the right: Today his siblings fear for their lives and their businesses. Al-Ahram Weekly

In this strange and unsentimental world, there are also some Israelis who have business ties with the bin Laden family of Saudi Arabia. As in the United States, those with such links to the 'Saudi Rockefellers' don't see how the September 11 terror attacks have anything to do with good business

On June 25, 1996, the Khobar Towers outside Dharan, Saudi Arabia were blown up. Nineteen American soldiers were killed; 515 people were injured, among them 214 American military personnel. The explosion was attributed to people operating at the behest of Osama bin Laden. In an ironic twist, it was the bin Laden family's construction company that won a \$150 million bid to renovate the American base.

Osama bin Laden had 53 brothers and sisters. Three have died. The remaining 50 control a huge company - the Saudi Bin Laden Group, which employs 36,000 people in 30 countries. The company, estimated to be worth \$5 billion, has business ties with major international corporations like General Electric, Unilever, Motorola, Schweppes, Citigroup and Bank HSBC.



January 2001, Kandahar: Osama (right) at the wedding of his son, Mohammed (center).

Since the attack on the World Trade

Center, the bin Laden siblings have feared for their lives and their businesses. Some fled the United States and England for Saudi Arabia. Some altered their surname from bin Ladin. Most insist they have nothing to do with their terrorist brother. A family spokesman in the U.S. declared that Osama bin Laden has no access to family assets. In a statement to the press, bin Laden's uncle, Abdullah

Awad, stressed that the family has no connection with Osama's deeds, "which go against our Islamic faith."

Osama's brother, Yeslam, who lives in Geneva, issued an unequivocal condemnation of the "attack on freedom and human values." Another brother, Abdullah, a jurist in Cambridge, Massachusetts said in an interview with The Boston Globe that what happened is a tragedy for humanity and for his family as well. "How will people look at our family?" he wondered.

The answer was not long in coming. The name bin Laden is dangerous to the reputation, said a spokesman for the Dutch IBN Bank, which has been working with the bin Ladens for 70 years. Carlyle, an American investment company that received a \$2-million investment from the bin Laden family in 1995, announced that it would think twice before accepting any further money from the family. The British technology company Multitone announced that it was suspending its business ties with the Saudi Baud Telecommunications company of the Bin Laden Group until it was absolutely determined that the Saudi company had no connection with the terror attacks on the United States.

"I'm sure that there are hundreds of nice bin Ladens," Multitone CEO Michael Walker told The Wall Street Journal in September, "but let's first conduct an investigation."

Cadbury Schweppes also announced that it would soon discontinue its ties with the bin Laden family, which imports Snapple to Saudi Arabia. At Schweppes, they contended that the business connection is ending due to a decline in sales and not due to negative publicity.

In Israel, it's business as usual. It's a sensitive matter, say Israeli companies with ties to corporations that do business with the bin Laden family, but no one intends to ask any uncomfortable questions. Most Israelis say that they are not very familiar with the business ties of their international partners and those who do know, prefer to ignore the issue.

"If someone committed murder, you can't accuse his whole family of murder," says Yitzhak Forer of the accounting firm of Ernst & Young, Kost, Forer and Gabbay.

The Israeli firm of Kost, Forer merged with the global American firm Ernst & Young in 1994. Ernst & Young are the auditors of several companies belonging to the Bin Laden Group, one of which is a Dubai-registered shipbuilding and renovation company. Forer says he was unaware of these connections: "Most of the bin Ladens are respectable businessmen. Ernst & Young is very cautious about having any business involvement with people who have a negative image since this is also bad for business. No one has ever accused the family of anything."

Nor is Ron Gutman, the Israeli representative for Unilever, much fazed by Unilever's business connections with the bin Laden family: "If there's a black sheep in the family and the family is fighting it in one way or another, you can't blacken everyone who has a connection to the family," he says. "If an Israeli commits a terrible crime, does that mean the whole State of Israel should be ostracized?"

At the Yafora Tavori company, which manufactures Schweppes soft drinks in Israel and is owned by Roni Gat, Shlomo Rodav and the Clal Concern, they say they don't keep track of Cadbury Schweppes' international business ties. "We don't get involved in the business considerations of the international concerns," says a company spokesman.

Motorola International is a long-time business partner of the bin Laden family. They were partners in Iridium, a company aimed at connecting cellular phones with satellite technology. Hassan bin

Laden, one of Osama's brothers, was the company director. Founded in October 1998, in its first six months of operation, Iridium invested \$180 million in advertising in an attempt to enroll half a million subscribers. Nine months later, with just 15,000 subscribers signed up, the company filed for bankruptcy.

Motorola also sells the Bin Laden Group communications equipment and cellular telephones. Two weeks after the attack on the Twin Towers, a company spokeswoman said in an interview on National Public Radio that the Bin Laden Group had no connection to Osama bin Laden.

In Israel, they're also trying to evade embarrassment. Hanan Akhsaf, who was president of Motorola Israel from 1991-2001, says he's not familiar with the subject.

"Two months ago, they threw me a farewell party at the company headquarters in Chicago. All the senior company executives were there and no one mentioned the connection with the bin Laden family. In Israel, we're not kept informed about Motorola's activity in Arab countries. Israel is cut off from this activity."

The U.S. government has not restricted the sale of telecommunications equipment to Saudi Arabia or to the Saudi Bin Laden Group, which evidently is not connected to Osama bin Laden in any way, says Uri Ginossar, the company's spokesman in Israel: "Motorola scrupulously abides by all the restrictions imposed by the U.S. government on doing business with known terrorists and regards this with the utmost seriousness. The Bin Laden Group is one of the largest commercial and industrial companies in Saudi Arabia."

Bank HSBC has helped fund a long list of companies owned by the family. The bank works with the bin Laden contracting firm, the family's large construction company. The company was registered in Saudi Arabia in 1935 and in the United Arab Emirates in 1967. The company chairman is Bakr bin Laden, the head of the family. Yehuda Levy, director-general of the bank's Israeli branch, says that the bank takes a good look at whom it is working with.

"We have no problem with the nature of our clients," he says. A spokesman for the bank in London issued a written statement saying that the bank operates according to firm rules that prevent money-laundering or any suspect banking practices.

Citibank is a major financier of the Bin Laden Group. A spokesman for the bank's Israeli representation says that the bank provides certain banking services to the Saudi Bin Laden Group, which has condemned and repudiated Osama bin Laden.

An investigation conducted by the American television program, "Frontline," cited French intelligence sources in saying that the bin Laden family is also Audi's representative in Saudi Arabia. An Audi spokesman in Germany denied this.

Zvi Polk, director-general of Champion Motors, which imports Audi to Israel, maintains that, regardless, such business connections do not affect Israel: "I don't take a stand on things over which I have no control," he says.

The bin Laden family, who have been tagged "the Saudi Rockefellers," is the second wealthiest in Saudi Arabia, right behind the royal family. Mohammed bin Laden, the father of the dynasty, came to Jeddah, Saudi Arabia in 1925 from the Hadramaut region of southern Yemen.

"The immigrants from Hadramaut to Saudi Arabia are characterized by two main traits," says Prof. Yosef Kostiner of Tel Aviv University's Department of Middle East and African History.

"They integrated into the economic establishment, but they became dissidents toward the regime. Yemenite families tried to rebel against the Saudi regime as far back as the 1930s. They founded the Hijazi Liberation Party, which was run by people who came from Hadramaut. Religiously, they are also different from the Saudis. The Saudis are of the puritanical Sunni school. The Yemenites belong to the Shi'ite stream. They are more lenient, less rigid. The bin Laden family blends all of these principles. They succeeded financially but their scion, Osama, became a fighter against the Saudi regime."

The family demonstrated its more lenient religious tendencies by deciding to settle in Jeddah, a commercial city with a reputation for being more tolerant and open to the West than other Saudi Arabian urban centers. It wasn't easy at first. Mohammed bin Laden worked as a porter at the Jeddah port.

He eventually became a builder who built palaces for members of the royal family. Though he didn't know how to read or write, he had an excellent memory.

Ambitious and determined to succeed, Mohammed bin Laden tried to get closer to the Saudi king Abdul Aziz. He won him over when he built a special entryway to the king's bedroom on the first floor of the palace that enabled the elderly and partially paralyzed king to get there without assistance.

The success at the king's palace led to additional projects. In 1951, Mohammed bin Laden won a tender to pave a highway from Jeddah to Ta'if after a British company, Thomas Ward of Sheffield, asked to pull out of the contract, saying it hadn't properly assessed the field conditions. Mohammed bin Laden stepped up to the challenge. He paved the highway, making it possible for the king to reach his summer home in the mountains in a matter of hours.

"It was such an impressive operation that he became a legend and the king's favorite," Dr. Terry Bennett, the royal family's physician in the 1970s, told National Public Radio in September.

But Mohammed bin Laden did not rest on his laurels. He continued nurturing his connections with the royal household. The members of the royal family developed a dependency on him. In the 1960s, he financed the kingdom's debts for about six months when the state treasury could not cover them.

Dr. Gil Feiler of the Info-Prod Middle East business research institute says that, for a time, Mohammed bin Laden was even the Saudi Minister of Infrastructure.

The closeness to the establishment paid off. Bin Laden won most of the major building tenders in the kingdom. He renovated the mosques in Medina and Mecca, built a large army base near the border with Yemen and, with the help of the Saudi rulers, even won a tender to renovate the Al-Aqsa Mosque in Jerusalem.

Even though most of his engineers were European, Mohammed bin Laden did not develop partnerships with Western companies. When his business expanded, he bought a plane so he could make quick visits to his various projects. The plane helped him realize a religious dream. In the early 1960s, he prayed in Jerusalem, Medina and Mecca - the three holy cities of Islam - all in one day.

His wealth brought him closer to the most prominent Saudi families. In his book, "The Kingdom: Arabia and the House of Saud" (Harcourt Brace Jovanovich, 1981), Robert Lacey describes bin

Laden's ties with Adnan Kashoggi of the famous Saudi family. Mohammed bin Laden was indirectly responsible for Adnan Kashoggi's fortune, writes Lacey.

In the 1950s, Kashoggi returned to Saudi Arabia from the United States. He met with Mohammed bin Laden, who was a friend of his father. Bin Laden told him that he was urgently in need of trucks. Kashoggi promised to help. He put bin Laden in contact with an American truck manufacturer whom he'd known during his college years.

According to Lacey, a half-million-dollar deal was closed several weeks later and Kashoggi received \$25,000 in commission from the American manufacturer. He sent the check to bin Laden, who promptly sent back a check for double the amount. Don't be ashamed to take a commission, he told Kashoggi. And this is how Kashoggi's career as a middleman began, writes Lacey.

Mohammed bin Laden had 54 children, the last born just a year before he was killed in a plane crash in 1968. Officially, he was married to just four women, as permitted in Islam, but the true number of his wives is not known. The Arab press has cited a figure of 13; Dr. Feiler, whose research institute keeps track of the family, believes that he had about 20 wives. Several of them are still alive. One lives in London.

Most of Mohammed's wives were Saudis. Osama bin Laden's mother was unusual in several respects: Not only was she Syrian and renowned for her beauty, she was also considered a rebellious woman. When she traveled abroad, she refused to cover her Chanel suit with traditional Muslim attire. She was one of Mohammed's last wives; Osama was her only son. He was a lonely child who occasionally had his father to keep him company. They would put up a tent in the desert together and spend a few days there. Osama (the 17th of Mohammed's 29 sons) spent the rest of his time in the company of private tutors, nannies and servants.

In 1968, Mohammed bin Laden was killed when his plane crashed into a mountain in southern Saudi Arabia. King Faisal appointed Mohammed Bahareth, the brother of Mohammed bin Laden's first wife and a respected engineer and construction magnate, to run the Bin Laden Group for an interim period until bin Laden's eldest son could run the company.

In 1972, Salem bin Laden, the eldest son, took over the position. He was a frivolous type who'd grown up amid immense wealth and dedicated himself to enjoying it. He was an amateur pilot, but King Faisal, out of concern for the family's future, forbid him and his brothers to fly themselves in their private plane. But these precautions were to no avail for, like his father, he, too, was killed in a plane crash.

Unlike most of the bin Ladens who studied at Victoria College in Alexandria with classmates such as King Hussein, the Kashoggi brothers and actor Omar Sharif, Salem studied in England, spoke fluent English and became one of the most Westernized members of the family. His attorney told The Washington Post that Salem was a brilliant fellow who liked the good life. He lived like an international jet-setter.

Like his father, Salem roamed the world in his private plane, but not for religious purposes. He had a farm overlooking the Colorado River and was particularly fond of Texas, where he mediated between the royal family and the Boeing company, which manufactured an executive jet for the royal family for \$92 million. He was one of the two people closest to King Fahd.

The "Frontline" investigation found that Salem played an important role in various U.S. activities in

the Middle East and Central America in the 1980s. He was killed in 1988 while piloting a light aircraft in San Antonio, Texas. Those tempted to look for portents see the two air accidents in the family, and the fact that the Bin Laden Group is building a commercial tower in Beirut that outwardly resembles one of the Twin Towers, as an allusion to what occurred in New York.

While the rest of the family was engaged in various international business dealings, two of the bin Laden brothers - Osama and Mahrous - turned to political and military activity. Of the two, Osama was the more determined. Born in 1957, he grew up in Jeddah and studied economics and management. In 1979, following the Soviet invasion of Afghanistan, he moved to Afghanistan to help the mujahedeen fight the Soviets.

He returned to Saudi Arabia in 1990 and challenged the royal family over the Iraqi invasion of Kuwait. The Saudis supported the American coalition. Osama bin Laden opposed the coalition and severely criticized the Saudi royalty. Had he been an ordinary Saudi, he would have been executed, says Prof. Kostiner. Since he was a bin Laden, he was allowed to leave Saudi Arabia from whence he moved to Sudan and set up a terrorist training camp.

In 1994, his Saudi citizenship was revoked and in 1996, Osama moved to Afghanistan. He is suspected of funding terrorist groups in Egypt, Algeria, Yemen and the Philippines, of involvement in the attack on U.S. soldiers in Somalia and in the 1993 bombing of the World Trade Center, and of being behind the attacks on American bases in Riyadh in 1995 and Dharam in 1996, as well as the 1998 bombings of the American embassies in Kenya and Tanzania.

In the American press, bin Laden's terrorist actions have been described as an attempt to rebel against his family. An ABC News commentary contended that the world is now witnessing the bin Laden civil war - brother against brother. According to this interpretation, Osama bin Laden despises all that his family members represent - globalization, capitalism, monarchism, the ostentatious and empty life of the jet set - and is prepared to do anything in order to destroy this way of life.

An August 1996 U.S. State Department report shows that Osama bin Laden himself has an array of business concerns. The Hijra Construction and Development Company built the road connecting Khartoum with Port Sudan. It also built the modern airport in Port Sudan.

In the late 1960s, Osama's brother, Mahrous, joined a rebel group opposed to the Saudi regime. With his assistance, the rebels who came to Saudi Arabia from southern Yemen smuggled weapons into Mecca using trucks belonging to the Bin Laden Group. Mahrous was arrested, but thanks to the family's good connections with the Saudi king, he was released after a short time and abandoned the rebel cause to go into business. Though he was made head of the Medina branch and a member of the board, his past was not forgiven and most important decisions in the Bin Laden Group are made without Mahrous' input.

The rest of the brothers are businessmen. Most are conservative, circumspect engineers. Their names have never been connected with any scandals and they try to maintain a religious facade, though one Israeli businessman who had dinner with one of Osama's brothers in the Gulf was stunned when the brother drank whiskey without any regard for his image.

The most prominent and well-known of the brothers is Bakr bin Laden, who became head of the family upon Salem's death. He is chairman of most of the group's large companies. Saudi princes can be found on the boards of a few of the companies. After Salem's death, the bin Ladens worried that their ties with the royal family might be weakened. But Bakr did not disappoint. He also fostered warm relations with the royals.

As did his father and brother before him, Bakr is now the one who decides what each family member will study, where he will live and which company he'll join. He is the arbitrator of family disputes. Nothing is left to chance. After the attack on the Twin Towers, a decision was made to keep silent in the media. Two weeks ago, Bakr decided - in consultation with the family's media advisors - that Abdullah would be interviewed in The Boston Globe.

The hundreds of bin Laden relatives are generally a very cohesive group. When a brother, Salim, was killed in a car accident, his British widow married another brother, Khaled, and moved to Saudi Arabia. In May 1990, 19 members of the family registered a new parent company for their business activities called the Saudi Bin Laden Group. Bakr, an engineer by profession, is the largest stockholder, followed by his brothers, Umar, Raleb and Khaled. Yeslam and Hassan are the other prominent family members. The second and third-generation haven't been left out; some of the family's companies have seven-year-olds listed as stockholders.

The wall of solidarity is occasionally ruptured by family disputes: "Three brothers were competing among themselves for control of a subsidiary company. The dispute lasted for several years," says Dr. Feiler. "In the end, it was decided that each one of them would receive his own company. In the process, in an effort to prevent similar disputes, the idea of establishing a public company run by managers from outside the family was proposed."

Most of the Bin Laden Group's activity is in Saudi Arabia. The Info-Prod database lists hundreds of companies owned by the family in a wide range of fields. These companies have business ties with many of the wealthiest families in Saudi Arabia.

The family is a partner with the Sharbatali family in marketing agencies; with the Ja'abari family in a company that markets telephone equipment and with the Ad-Dabar family in a personnel company. They have a tourism company and a shipping company. They import rugs to Saudi Arabia from the Far East, manufacture gold jewelry, lease construction equipment and are partners in a company that builds power stations. In recent years, they have been involved in a number of big projects, including the construction of a ring road around Riyadh, construction of residential quarters for the security forces in Jidda and for the National Guard in Mecca. They have renovated the Riyadh airport and built a plastics factory in Jubail.

Outside of Saudi Arabia, they are partners in banks in Luxembourg and Bahrain. They are active in various fields in Egypt. They are building a big hotel in Amman and, in Boston, the family is a partner in the Hybridon pharmaceutical company and is also building luxury apartments. They have houses to rent and offices in London; in Geneva, they operate the Saudi Investment Company.

According to the "Frontline" investigation, the company's board includes Baudoin Dunant, the prominent attorney who gained notoriety for representing Swiss banker Francois Genoud in 1983. Genoud, an admirer of Hitler and heir to the rights of Goebbels' writings, was put on trial for participation in international terrorism. Also on the board are members of the Shakarshi family, whose name has been linked to money-laundering scandals and the Zurich drug trade.

Only a small part of the bin Ladens' business activity has been publicized. For the most part, they prefer to work quietly. They do not buy advertising space in the trade journals. On more than one occasion, the family has canceled contracts with companies that were overly eager to tell the media about their business connections with the Bin Laden Group.

In recent years, facing increased business competition, they developed methods to enable them to win major tenders: "Among other things, they founded dozens of companies, all under the family's

control, which compete for tenders. The chances that one of the companies will win are high," says Dr. Feiler.

Most of these competing companies have no overt connection to the bin Laden name.

Like most businesspeople of their type, the bin Ladens are well connected to many politicians. In 1995, they invested \$2 million in the American investment company Carlyle. The company, which was founded in 1987, invested \$6 billion in 224 enterprises in dozens of countries. One of the company's consultants was George Bush, father of the current president. Bush met twice with family members, in November 1998 and January 2000.

Another consultant, former Secretary of State James Baker, met with family members in 1998 and 1999. Family members told The Wall Street Journal that, for the second meeting, which took place in Saudi Arabia, Baker arrived on the family plane. Baker declined to comment.

Caspar Weinberger, the defense minister under Ronald Reagan and the current chairman of Forbes Magazine, also met twice with the family: "I don't think that the father, brother and cousins should suffer for the sins of the son," he told the American press.

Former president Jimmy Carter met with 10 family members in early 2000. In September 2000, he met with Bakr bin Laden for breakfast and tried to convince him to contribute to the Carter Center in Atlanta, which promotes conflict resolution and the advancement of democracy. The family donated \$200,000 to the center.

The bin Ladens also donated \$2 million for research grants at the Harvard Design School and Harvard Law School. Abdullah bin Laden, one of the brothers, got his doctorate in law there. Dr. Eyal Gross of Tel Aviv University studied with him. They were active in the Middle Eastern students organization: "In those years, from 1992-1996, the name bin Laden was not known."

The family also donated \$300,000 to Tufts University and funded research grants at the Center for Islamic Studies at Oxford University. Prince Charles and Bakr bin Laden met for the first time in June at a London exhibit. The prince made some friendly small talk with the Saudi billionaire. "How's your brother doing these days?" he asked him.

An indirect connection between President George W. Bush and the bin Laden family was created via Texas entrepreneur James Bath. Bath was Salem's commercial representative in Texas from 1976-1988. During that time, he invested \$50,000 in Bush's company, Arbusto Energy. In 1990, Bush told The Houston Post that he had never had any business dealings with Bath. In 1999, his spokeswoman said that, apart from the investment in Arbusto, Governor Bush had no business with Bath.

In the Middle East, the bin Ladens are close to Rafik Hariri, the president of Lebanon. They are partners in a French bank that merged with one of Hariri's companies. Along with the Peres Center for Peace, they are listed as partners in Paltel, a Palestinian communications company. The Peres Center says that the joint peace fund at Paltel is managed by the Evergreen company and that, "We are just consultants." Evergreen director-general Ofer Ne'eman refused to comment.

Osama bin Laden's growing renown as a dangerous terrorist has caused the family discomfiture as well as serious economic fallout. In 1999, the family closed its business development center in the U.S. Philip Griffin, a spokesman for the family, told The Wall Street Journal in September that this was not due to image troubles. But Abdullah has told colleagues in Cambridge that Osama's terrorist activity is a financial disaster for the family.

The attack on the World Trade Center only exacerbated the situation. The FBI is examining the family's financial connections with Osama bin Laden. Despite their repeated avowals to have broken off all contact with him, not all of the brothers have completely ostracized him. Two of Osama's brothers and one of his sisters made it to his son Mohammed's wedding in Kandahar in January.

In a March 1997 interview with CNN's Peter Arnett, bin Laden was asked whether his relatives had asked him to cease his activities. His response revealed the close connection he still has with them: "They pressured me many times," he said. "My mother, my uncle and my brother came to Khartoum nine times and asked me to come back to Saudi Arabia and to apologize to King Fahd."

Bin Laden claimed that the Saudi regime wanted to create a rift between him and his family.

"Today, they can't say that they support him," says Prof. Kostiner. "But I believe that he still receives money from them in some way. The family controls the capital and I presume that it has continued to distribute money to him since he left Saudi Arabia."