**Hamas, Inc.**

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The idea that hardline Hamas political leaders like Mousa Abu Marzook and Khaled Meshal who order violence in the name of jihad are also canny businessmen who have assembled financial empires that would be the envy of pinstriped businessmen in London, Paris, or New York may strike most readers as unfamiliar, or perhaps as a form of science fiction or propaganda. But in the Middle East, otherworldly religious or political rhetoric and earthly profits do not necessarily contradict each other. In fact, they often go hand in hand.

Nor is the combination of political and military roles with business empires unique to Hamas, or to other Islamist organizations. When I started my job as the Israeli Military Governor of Tyre district during the first Lebanese war and asked to meet with the local police chief, I was told, “He is available only during the morning hours. In the afternoons he takes care of his businesses.” “Businesses?” I wondered. “Yes,” said my informant, “he has a supermarket chain.”

During my two years in Lebanon I learned that almost every local office-holder and officer, whether in the public sector, police, or army, owned a private business. The police commander in question, for example, recommended that citizens who approach the police for help should purchase food from his private stores. Because Western values such as conflict of interests, transparency, and public efficiency are less recognized and less respected in this part of the world, most political leaders in the Middle East see public office as a route to making a fortune, and most of their constituents accept this behavior—with the hope of sharing in even a small part of the leader’s wealth.

In the West Bank and Gaza Strip, the situation is quite similar to the one I found in Lebanon. The race to obtain powerful positions in the Palestinian Authority began in 1994, with the implementation of the Oslo Accords. The government that emerged from that process looks more or less like that of most Arab regimes: It is centralized and corrupt, it lacks effectiveness, bribery plays a very important role in society, and nepotism is prevalent, with just few families or relatives benefiting from state monopolies on basic services and commodities.

The Palestinian Liberation Organization runs the PA through its main political party, Fatah, with a generous budget donated by the international community. Between 1995 and 2005 the PA, which had a population of 4 million people, has received $8 billion for building its industrial infrastructure to create jobs, improve its people’s lives, and establish public institutions. Unfortunately, none of those projects shows evidence of having been implemented. Most of the funds went to private pockets, and the rest helped PA leaders to recruit more militia members. Monopolies of oil, gas, food, cigarettes, and cell phones have been granted to the prime minister’s family and to a few government ministers and local security officers. Those who were deprived of their chance to feed at the public trough have not remained quiet. A year ago, Mohammad Dahlan who used to be a senior security Fatah officer in Gaza, filed an international lawsuit against President Abu-Mazen, claiming Abbas has stolen over $1 billion from the Palestinian budget.

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Hamas, the Palestinian Islamic fundamentalist movement, which was established toward the end of 1987, did not share in the international largesse granted to the PA. The resistance movement promoted the liberation of Palestine by force and at the same time joined the global jihad, as other Muslim Brotherhood-affiliated organizations did. As a result, Hamas has developed its own fundraising mechanisms, mainly based on donations and contributions of Muslim believers and pilgrims from countries such as Saudi Arabia, Kuwait, and Qatar. Hamas’ vicious terrorist attacks that took place in the mid 1990s helped the organization gain more credit as the Palestinians’ chief defender and protector and surely enhanced its revenues, which mainly came in the form of direct cash contributions. The legitimate channel for receiving these funds was the *Zakat* box which exists in every single *Waqf* (sacred property) office in the West Bank and Gaza. The PA was not allowed to touch or interfere in these Islamic institutions except by using force.

By June 2007 after Hamas took over the GS through a violent coup, more significant amounts of money began to arrive from the same Islamic countries, reflecting the donors’ desire that Gaza should be run according to Islamic *Shari’a* law. A huge fundraising campaign was also launched in Western countries, mainly the United States and Europe, which raised hundreds of millions of dollars, which passed through the hands of Dr. Mousa Abu Marzook, the chair of the Hamas political bureau chair at that time. According to a Texas Federal court record from 2003, Abu Marzook was convicted of illegal funds transfer to every single district in the West Bank, from Jenin in the north to Hebron in the south. Beginning in the 1990s and during every fiscal year, he has transferred millions of dollars, claiming that these funds were for welfare and relief projects, while in fact they have been used to compensate suicide bombers’ families and to rehabilitate wounded and invalid terrorists. As a result of these large, repeated cash transfers, over many years, Abu Marzook also came to personally control large assets and investments, which according to my research total over $2 billion.

Hamas current chair Khaled Meshal began to control the movement’s funds right after the arrest of Abu Marzook in the United States in 1995. During the two years that Abu Marzook was behind barbed wire, Meshal was appointed as Hamas’ chair of political bureau, a position that put him in sole control of Hamas’ treasury. Until the release of Abu Marzook from prison in 1997, Meshal personally reached out to as many Arab and Muslim leaders as possible in order to enhance the organization’s budget.

During his time in Damascus, where he spent 13 years (1999 to 2012), Meshal established new funding channels, which have led to his accumulation of a fortune on a par with that of Abu Marzook. Most of Meshal’s capital has been invested in Egyptian and Gulf states banks, and some of them are involved in real-estate projects. Meshal owns Fadil, a real-estate firm located in Doha, Qatar, which recently built four residential towers, a 20-story mall and other sites, all of which are registered in the names of members of his family.

Another way to become rich in the Gaza strip after the 2007 coup—a method used mainly by Hamas field commanders (Ez A-din al Qassam Brigades)—was smuggling, which was accomplished through a network of tunnels built to evade Israeli and Egyptian border controls. Hamas PM Ismail Haniyeh and his ministers in Gaza took advantage of this economic tool and began to forcefully control it, exactly like the Mafia. From this time on, each Hamas district’s commander has profited from the networks in his own sector as though they were his own property, maintaining full control over goods and merchandise crossing through the district’s tunnels. Food products, meat and poultry, cement and concrete, furniture, oil, gasoline, and medical items were all subject to large taxes. A smuggled car’s tax, for example, was $1,000 plus 25 percent of its value while 100 to 200 cars were smuggled daily. The “importer” had to pay 75 shekels (around $20) for each ton of cement (400 tons a day), 120 shekels for each ton (2,000 pounds) of wood (500 tons a day), 2 shekels for each smuggled liter (2.64 gallons) of diesel fuel (6,000 liters a day), and 0.75 shekels for each liter of gas (6,000 liters a day). On the Egyptian side of the tunnel, the man responsible for the “project” was Khirat el-Shater, a prominent leader of the Muslim Brotherhood, who helped finance the establishment of the joint ventures and was a full partner for revenues.

Raed al Atar, a prominent Hamas leader from Rafah, has made tens of millions of dollars from this smuggling project. Al Atar has a special centralized way to control the flow of merchandise and funds through “his” tunnels, while taking care of every single item.

Palestinian economists estimate that the number of Palestinians who earned more than $1 million from the tunnels’ economy ranges from 1,000 to 1,200 individuals. However, the number of Gaza inhabitants who may be identified as “millionaires,” is about half that. We should remember also that almost $1 billion in cash has been smuggled through the tunnels annually, a part of which was deducted and paid to the district‘s commander as a sort of “income tax.” One more source of illegal income was the properties of former Gush Katif (former Israeli settlements in the Gaza Strip), whose lands were sold to Palestinian real-estate agencies and some directly to builders who were waiting to start new housing projects. The funds received by the buyers went into the private pockets of Hamas’ leaders.

Another income source in Gaza is Islamic fundraising. Hamas’ leaders have received huge amounts of donations and contributions from Iran, Qatar, Saudi Arabia, and from other Gulf States. These funds were donated in favor of the *Muqawama*, the Islamic resistance, whose aims are twofold: one, against Israel as a political enemy and the second, against the Shia Islam states as a religious enemy. Generally, the transfer of funds from Arab countries, unlike from European or U.S. donors, are hard to follow: Funds not designated for specific projects, and that came under the title of “general purposes,” were most likely confiscated by Hamas’ leaders.

From information that was released lately, Qatar has transferred in February 2013 to “Gaza Strip inhabitants” $250 million, most of which has not arrived to the region. Later, after Mohammad Morsi’s fall in Egypt, by July 2013 Qatar has transferred another amount of $350 million and later on another $100 million donation was received. In these cases, the money was received by Hamas Prime Minister Ismail Haniyeh. Originally a refugee from Al Shati refugee camp near Gaza, Haniyah today is worth at least $4 million—and some portion of the funds he received have been used to buy land and houses which are registered in the names of his family members. Other Hamas ministers and government officials have also received or have stolen money from the “public treasury” and built fancy houses or large businesses inside and outside Gaza.

Given the fact that much this information is visible to every resident of Gaza, who know exactly where and how the leaders of Hamas live, it is fair to ask why the public remains silent and indifferent. Pictures released during Protective Edge showed the contrast between luxurious the life led by Meshal and Abu Marzook and the lives of the impoverished people of Gaza. Yet it is very rare that a Palestinian leader is ever attacked from “inside the house”: According to Palestinian tradition, the leader suffers enough from the Israeli occupier, and therefore everyone should support the leader, resist, fight back, and move away from criticizing him, no matter what he does or doesn’t do. As a result, polls showed that over 60 percent of Gaza residents denounced corruption, but only a few of them were ready to take action. Another reason why public criticism may be rare is that the consequences can be severe: During Protective Edge, 20 people were shot in public in Gaza after summary trials in which they were accused of being “collaborators with the enemy.” Needless to say, the precise nature of their “collaboration” was murky. Gazans who did demonstrate against the Hamas leadership were also beaten, shot, and in some cases, executed. Corruption in the Palestinian territories still prevails.

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