

“This was an act of war.”

The Pan Am 103 Terrorism Trial

Getting Away With Mass Murder



The Pan Am 103 bombing on December 21, 1988, killed 270 people, including 189 Americans. Two Libyans are on trial for this crime of international terrorism. But Libyan terror chief Moammar Gadhafi has not been charged. A U.S.-approved secret letter to Gadhafi from U.N. Secretary-General Kofi Annan may explain why.

A Special Investigative Report by Cliff Kincaid

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There were 270 victims, including 189 Americans.



Theodora Cohen, 20: She dreamed of being an actress and singer.



Miram Luby Wolfe, 20: She, too, wanted to be an actress and singer.

Executive Summary

The trial of two Libyans in the Pan Am 103 bombing case is being presented by the Clinton Administration as a step forward for international justice. But it actually represents capitulation to Libya's terror chief and dictator Moammar Gadhafi and an effort to rehabilitate his image and eventually normalize relations with his regime. Big oil companies are lobbying the Administration and Congress toward that end because they want to arrange new lucrative business deals with Libya. Gadhafi, a notoriously unstable foreign terrorist leader, could use the additional revenue to plan more acts of terrorism --this time with chemical, biological or nuclear weapons. The next time Gadhafi strikes America, the result could be thousands, tens of thousands, or millions of deaths. In the Pan Am, case, 270 people died, including 189 Americans. Many were American college students and U.S. military personnel.

The key to exposing this policy of appeasement lies in forcing the public release of secret letter from United Nations Secretary-General Kofi Annan, to Gadhafi that grants him immunity from prosecution in the Pan Am case. The letter was approved by the U.S. and British governments. U.N. and Clinton officials have been stonewalling the release of this document because it represents a blatant violation of the administrations stated policy of not negotiating with terrorists. The administration has been negotiating a similar deal with Iranian terrorist officials over the 1996 Khobar Towers bombing in Saudi Arabia that killed 19 American servicemen.

In response to a Freedom of Information Act (FOIA) request from America's Survival, the State Department has announced that the incriminating U.N. - Libya documents are classified and will not be released to the press or the public.

It is time for the American people and the Congress to be fully heard in regard to this cover-up. Administration officials, including Secretary of State Madeleine Albright, who arranged this deal with Gadhafi, must be investigated for obstructing justice in the Pan Am case. The American people must insist on complete disclosure of the documents and the development of a policy toward Libya that holds Gadhafi responsible for his alleged role in this brutal crime of mass murder and international terrorism.

Rather than make a deal with Gadhafi, in collaboration with the American and British governments, Kofi Annan and the U.N. should use the full force of "international law" against Gadhafi. The deal represents another case in which the U.N. boss has acted as a foreign agent for an anti-American regime. (30)

<p>America's Survival wishes to acknowledge the generous assistance of the Vernon K. Kriebel Foundation in publishing and distributing this special report.</p>
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Moammar Gadhafi: “Brother Leader and Guide of the Revolution.”



Once known as the godfather of international terrorism, Gadhafi has been called a criminal, a fascist and mentally unbalanced by his former patrons in the Soviet Union. Bob Woodward of the *Washington Post* once reported claims that Gadhafi was taking “excessive amounts of sleeping pills and stimulants” and may have been “using hallucinogens.” Gadhafi’s Libya is now reportedly producing chemical, biological and nuclear weapons.

The Terrorist Appeasers



President Clinton meets with UN. Secretary General Kofi Annan. Clinton, Annan and Secretary of State Madeleine Albright made a secret deal in the Pan Am 103 bombing case not to charge Libyan terror chief Moammar Gadhafi. The payoff for Gadhafi? His regime gets accepted back into the "international community" and he makes lucrative business deals with American and foreign companies, generating revenue to make weapons of mass destruction.



(Reuters/Archive Photos): This photo of a broadcast on Libyan television shows U.N. Secretary-General Kofi Annan shaking hands with Libyan terrorist leader Moammar Gadhafi in the Libyan desert on December 5, 1998. Annan negotiated a secret deal with Gadhafi that gives the terror chief immunity from prosecution in the Pan Am 103 bombing case.

The Indicted Terrorists

Lamen Khalifa Fhimah



DESCRIPTION

Date of birth: April 4, 1956

Place of Birth: Suk Giuma, Libya

Height: Approximately 5'7"

Weight: Approximately 190 Lbs.

Hair: Black, light brown mustache

Eyes: Dark brown

Complexion: Light brown

Sex: Male

Nationality: Libyan

Occupation: Formerly Station Manager, Libyan Arab Airlines

Aliases: Al Aniin Khalifa Fhima, Mr. Lamin

Abdel Basset Au Al-Megrahi



DESCRIPTION

Date of birth: April 1, 1952

Place of birth: Tripoli, Libya

Height: Approximately 5'8"

Weight: Approximately 190 lbs

Hair: Black curly, clean shaven

Eyes: Dark brown

Complexion: Light brown

Sex: Male

Nationality: Libyan

Occupation: Formerly Chief of Airline Security, Libyan Arab Airlines, in Malta

Aliases: Abd Al Basset Al Megrahi, Abdelbaset Ali Mohmed Al Megrahi, Mr. Baset, Ahmed Khalifa Abdusamad

America's Survival, Inc.

October 12, 1999

Ms. Margaret P. Grafeld
Information and Privacy Coordinator
Office of Information Resources Management Programs
and Services
A/RPS/IPS, SA-2
Department of State
Washington, D.C. 20522-6001


Re: Freedom of Information Act Request

Dear Ms. Grafeld;

Under the Freedom of Information Act, we request immediate access to and copies of documents, reported to be in the possession or custody of Michael A. Sheehan, the coordinator for the Office of Counterterrorism in the Department of State, or his office, which refer to the prosecution, trial and possible imprisonment of two Libyan agents in connection with the destruction of Pan Am 103 in 1988. We are not referring to any evidence or intelligence sources in the criminal case against the Libyans charged with the bombing. Rather, we are referring to documents which discuss the involvement of the U.N. or U.N. Secretary-General Kofi Annan in this matter, and which may be written by Annan himself or other U.N. officials.

These documents include -- but are not limited to -- a letter from U.N. Secretary-General Kofi Annan to Libyan President Moammar Gadhafi and/or other Libyan government officials. We are not necessarily referring to a U.N. document but a U.S. document that may include the Annan letter with comments from various agencies or bureaus in the State Department. We are also referring to an annex to the letter or attachments or enclosures which pertain to the letter. It is our understanding that the letter and these associated materials are dated around February of 1999. It is our belief that the documents have been in the possession or custody of Ambassador Sheehan or his office. The documents may also be in the possession or custody of Secretary of State Madeleine Albright or her office.

As a non-profit educational foundation engaged in journalistic pursuits, we request the waiver of any fees required to process this request. We also request immediate attention to this matter.


Sincerely,
Cliff Kincaid,
President

State Department Cover-Up of Pan Am Documents

This is a copy of the State Department letter under which U.S.-approved documents outlining a secret deal with Libyan terrorist leader Moanimar Gadhafi were identified as "classified" under a presidential executive order.



United States Department of State

Washington, D.C. 20520

DEC 15 1999

Case Control No. 199903941

Mr. Cliff Kincaid
President
America's Survival, Inc.

Dear Mr. Kincaid:

I refer to your letter of October 12, 1999 requesting the release of certain Department of State material under the Freedom of Information Act (Title 5 USC Section 552).

A search of files under the Department's control has resulted in the retrieval of two documents which appear relevant to your request. We have determined that both may not be released.

The material in the two documents withheld in full is currently and properly classified under Executive Order 12958 in the interest of national defense or foreign relations. As such, it is exempt from release under subsection (b)(1) of the Freedom of Information Act.

With respect to material we have withheld under the Freedom of Information Act, you have the right to appeal our determination within 60 days. Appeals should be addressed to the Assistant Secretary for Public Affairs, c/o Appeals Office, A/RPS/IPS/PP, Room 6001, SA-2, Department of State,

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Washington, D. C. 20522-6001. The letter of appeal should refer to the case control number shown above.

Sincerely,

A handwritten signature in cursive script, appearing to read "Margaret P. Grafeld".

Margaret P. Grafeld
Director
Office of IRM Programs and Services

Selling Out to Gadhafi: The Scandal Behind Clinton's "Counterterrorism" Policy

By Cliff Kincaid*

Two Libyan officials, described as intelligence operatives for the Libyan regime, are scheduled to go on trial in May of 2000 for allegedly participating in the destruction of the American airliner Pan Am 103 over Lockerbie, Scotland, on December 21, 1988, killing 270 people, including 189 Americans.

But this trial may be less important than the Libyan official who has not been charged in the case -- Colonel Moammar Gadhafi, known as the "Brother Leader and Guide of the Revolution" since he seized power in 1969.

In a diplomatic deal that has been "classified" in order to keep the truth from the American people and Congress, the Clinton Administration has decided to shield Gadhafi from prosecution and protect his regime from the possible impact of the trial. The deal has taken the form of a letter to Gadhafi from U.N. Secretary-General Kofi Annan and an annex to the letter. They reportedly promise Gadhafi that the trial is not intended to "undermine" his regime, a commitment viewed as a grant of immunity. U.N. officials confirm that the documents were approved by the U.S. and Britain.¹

*Cliff Kincaid, a veteran journalist and commentator, is president of America's Survival, a public policy organization that examines global issues. He can be reached at 301-855-2679 or through the America's Survival web site: <http://www.usasurvival.org>

¹ As confirmed by Lawrence Morahan, CNSNews.com, October 26, 1999.

In response to a Freedom of Information Act (FOIA) request, the State Department has informed America's Survival and this journalist that two documents outlining the United Nations agreement with Gadhafi over the Pan Am trial are "currently and properly classified under Executive Order 12958 in the interest of national defense or foreign relations."² This executive order, dated April 17, 1995, assigns to the president the power and authority to classify certain "national security" information.

This means that executive powers have been used to hide critical operations of the federal government from the American people.³ In this case, the issue involves a foreign terrorist leader who has been linked to the mass murder of American citizens.

The classified stamp in this matter is being used to hide what many fear is a dirty deal with one of the most notorious terrorists the world has ever known.

"I am outraged that the Clinton Administration is part of this deal," says Susan Cohen, mother of one of the American victims, Theodora Cohen. "I am devastated that my government -- our government -- is willing to forgive a tyrant and murderer like Gadhafi, and even help shield him."

She adds, "It is pain beyond pain to see what the government of our once proud country has become. Dictators can murder us and know they have nothing to fear. Terrorists can kill us with impunity."

² See reproduction of document on page 9.

³ For more on the general topic of executive orders and presidential powers, see the special report, "Crimes Against the Constitution" on the America's Survival web site: <http://www.usasurvival.org>

In a story about the America's Survival FOIA request and response, *USA Today* foreign affairs reporter Barbara Slavin said U.S. officials had confirmed that the U.N. documents provided to Gadhafi assure him that the Pan Am trial is not intended to "undermine" his regime, and that the two Libyan intelligence agents, if convicted, "would not be questioned about other acts of the Libyan government."⁴

Slavin reported that some U.S. officials believe that Gadhafi "would never have turned over the two men if he believed that they would implicate him or Libyans close to him." She added, "Relatives of the suspects are being held in Libya, essentially as hostages, the officials say, inhibiting the defendants from testifying fully. A half-dozen alleged co-conspirators also have 'passed away under various circumstances,' according to a U.S. official who asked not to be named."

The Annan letter and annex also reportedly contain conditions for the trial and possible imprisonment of the defendants, making sure they remain effectively under Libyan or U.N. control. This, too, would help guarantee that they would not implicate Gadhafi or other top officials of the regime in the Pan Am bombing or other acts of international terrorism.

The implication of these reports is that the trial is a sham concocted by the State Department, Gadhafi and the U.N. to make it seem as though the alleged perpetrators of the Pan Am bombing are being held accountable for their crimes. The ultimate purpose of this sham is to restore diplomatic relations with Gadhafi and permit U.S. oil companies, including Conoco,

⁴ Barbara Slavin, "Documents related to Pan Am Flight 103 classified," *USA Today*, December 30, 1999, page 9A.

Occidental, Amerada Hess and Marathon. to cut lucrative deals with Libya.⁵

Occidental Petroleum is a company whose late chairman, Armand Hammer, was a Soviet agent and money launderer for the Communist Party. It still highlights the fact that it had a major oil project in Libya.⁶ The company is a major financial contributor to political causes and its chairman, Ray Irani, has been very close to the Clinton Administration.⁷

If the trial "proceeds smoothly" and Gadhafi compensates families of the Pan Am victims, *USA Today* reported that U.S. officials say they would welcome Libya back into the "international community."

But many family members believe Gadhafi has to be held personally accountable for this crime. Both *USA Today* and the *Washington Post*⁸ have noted concern, even anger, among some victims' relatives over the classification of the U.N. documents.

Relatives of the Pan Am 103 victims have disagreed over how the case has been handled over the years, but they have been united in their concern, even outrage, over the deal with Gadhafi.

Paul Hudson, who lost a daughter in the bombing and was president of the Families of Pan Am 103, notes that although Secretary of State Madeleine Albright and the Scottish prosecutors claim they will

⁵ These four companies have been reported to have asked the Administration for permission to check on the condition of oil fields they once exploited in Libya.

⁶ <http://www.oxy.com/html/oil>

⁷ See Charles Lewis, *The Buying of the President 2000* (New York: HarperCollins Publishers, 2000). pages 151-152.

⁸ John Lancaster, "U.S. Moves Toward Better Ties to Libya," *The Washington Post*, December 24, 1999, page A09.

follow whatever leads they have, “it appears they’re seeking to keep this case in a box. It’s like you convict the triggerman but you don’t go after the person who ordered the hit.”

He added, “There’s no reason not to release the [Annan] letter. The letter was something that was done during the negotiations, which were very delicate. The two suspects have now been turned over. They are incarcerated in the Netherlands awaiting trial. If the letter is not turned over, I’m afraid it could undermine the integrity of the criminal trial because there will always be doubts and suspicions that maybe the fix was in and that someone had gotten to the judges and the prosecutors and the only way to really dismiss that is to have the letter publicly released.”⁹

The State Department acknowledged that it found the requested FOIA documents in the Bureau of Near Eastern Affairs. Martin S. Indyk, Assistant Secretary of State for Near Eastern Affairs, has told Senator Robert Torricelli that there are “no external or negotiated limits” to the authority of the Scottish prosecutors but he has refused to turn over the Annan letter and annex.

Lord Hardie, who is in charge of prosecuting the case, has been asked by some family members to examine the secret documents and then give assurances that senior Libyan officials have not been given immunity from prosecution.

Indyk, who was born in London, England, is in charge of “providing overall direction, coordination and supervision of U.S. Government policy in the Middle East and North Africa,” including Libya.¹⁰ He

previously served as U.S. Ambassador to Israel.

Indyk has called the turnover of the Libyans in the Pan Am case “extraordinary” and has said that Kofi Annan played “a critical role.”¹¹ How critical? Indyk doesn’t want the American people to know. His department put a “classified” stamp on the deal.

For a time, U.S. officials thought they could keep the dimensions of this scandal under wraps. After the deal was made, they read parts of the Annan letter to the families. One U.N. official even dismissed the language of the arrangement as just “diplomacy.”

But members of Congress and America’s Survival then took an active interest in getting the complete documents. All have been stonewalled in their requests and demands for their public release.

Commenting on the decision to classify the documents, in response to our FOIA request, John Lancaster of the *Washington Post* reported, “After reading portions of the [Annan] letter to several relatives of Lockerbie victims, administration officials declared it classified and have since declined to share its contents with lawmakers.” The lawmakers include Senators Edward M. Kennedy, Frank R. Lautenberg, and Robert G. Torricelli, and Rep. Benjamin A. Gilman, chairman of the House International Relations Committee.

Gilman, who had been requesting the material from Secretary of State Madeleine Albright since September 14, then proposed a special meeting in which some family members, as selected by Albright, would be

⁹ Interview, Peoples Radio Network, November 3, 1999.

¹⁰ Biography. Martin Indyk, Assistant Secretary for Near Eastern Affairs, http://www.state.gov/www/about_statelbiography/indyk.html

¹¹ Martin S. Indyk, Assistant Secretary for Near Eastern Affairs, Testimony, House International Relations Committee, June 8, 1999.

allowed to view the documents. However, the press, the public and other family members would still be denied access to them.

Susan Cohen said, "I don't know why



Martin Indyk, Assistant Secretary of State for Near Eastern Affairs, has been helping run the cover-up over a secret Pan Am deal with Moammar Gadhafi.

Gilman cannot do the obvious thing, which is hold a hearing and get the documents out." She says Gilman should have subpoenaed the material.

Rosemary Wolfe, the president of Justice for Pan Am 103, said that the Gilman proposal is "infuriating" because "it gives the State Department the opportunity to say the Annan letter doesn't mean anything while not releasing it." Wolfe lost her 20-year-old stepdaughter Miriam in the bombing.

The chairman of another group, the Victims of Pan Am Flight 103, approved the Gilman proposal, apparently thinking it might be the only way to obtain some access to the documents.

As Wolfe indicated, even while hiding the documents from Congress and the people, Administration officials have been trying to suggest they're not hiding anything significant.

Ronald Neumann, Deputy Assistant Secretary of State for Near Eastern Affairs, declared in a speech that the State Department had no "hidden agenda" in the Pan Am 103 case and that "stories about some behind-the-scenes deal are false."¹² At the same time, he told this journalist that the Kofi Annan letter wasn't going to be released because "It's not our letter," implying it was the property of the U.N. He didn't say anything at this point -- 15 days before the FOIA request was denied -- about the documents being classified. He claimed their release would be a "large stroke against future diplomacy" and would set a bad precedent. Asked if he had seen the Annan letter, he evaded, saying that he has seen "some things."¹³

Neumann seemed to be conceding that the letter was a negotiating tool. If so, this provides more evidence that the administration is violating its own stated policy of not making deals with terrorists.

Congressional hearings may reveal that Administration activity in regard to Libya could reach the level of criminal conduct. Former top FBI official Oliver (Buck) Revell, who supervised the investigation of Pan Am 103, told this journalist that the Annan letter, endorsed by the U.S. and Britain, constitutes obstruction of justice. He says it means "that we could not pursue evidence developed in the trial to wherever it led - even if it was to head of a foreign government." He added,

¹² November 30, 1999, speech to the Middle East Institute on U.S.-Libya Relations.

¹³ Neumann's remarks were made following his November 30, 1999, speech to the Middle East Institute on U.S.-Libya Relations.

"It's not enough to let these two [Libyans] pay the price. They were certainly not acting on their own behalf."

As indicated in press reports about the controversy, the "classified" stamp on the documents is phony because the documents were not classified in the past and, in fact, selected parts of them have been cited by the press and quoted to family members. The failure to release them as complete documents, so the public and the press could understand the true nature of this deal, indicates that the State Department and the U.N. have something to hide.

In a statement to the press, America's Survival stated:

"Secretary of State Albright has inflicted more pain and suffering on the Pan Am families by keeping the truth from them. Albright has made a sleazy deal with one of the world's top terrorists, and she doesn't want the world, the American people, the press, or the families of the victims to know."

The secrecy raises the strong suspicion that there are other elements of the letter or annex that make the deal look like even more of a sell-out to Gadhafi. B'nai B'rith International President Richard D. Heideman has said other reported terms of the deal represent a "mockery of international justice" and "a heinous slur on the memories of those murdered in this horrible attack."¹⁴

¹⁴ Other terms reportedly include limiting interrogation of the suspects by not including questions relating to the role of the Libyan or any other government, and containing the investigation to this single act only.

Other conditions of the deal are reported to include a stipulation that any jail term would be served in Scotland but in a special wing of a prison to be monitored by the U.N. This would effectively keep the prisoners under Libyan control.

In other words, the Libyans could get special care and feeding by the U.N. The Libyans, if convicted, may have the benefit of their own country club prison.

This would stand in sharp contrast to the horrible deaths suffered by the victims.

The average age of the victims was around 30 - mostly American students and some U.S. Army soldiers coming home for the Christmas holidays. Thirty five students, many from Syracuse University, were passengers aboard the aircraft.

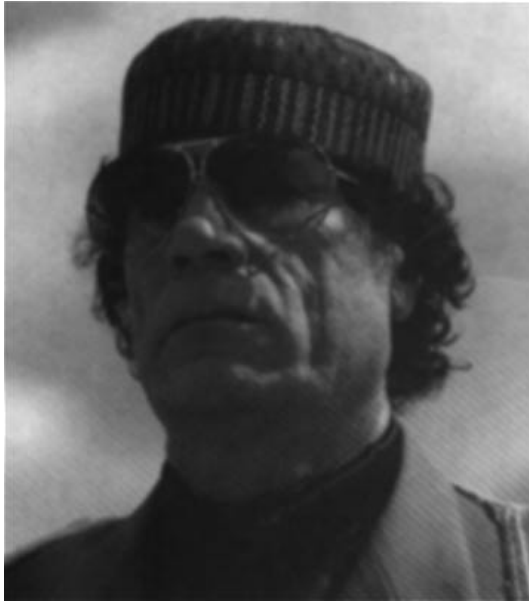
The victims included George Williams' only son, known as Geordie, who was an Army First Lieutenant based in Germany. He was flying home for Christmas. Of the American victims, more than a dozen were military personnel and their families.

George Williams is now president of Victims of Pan Am Flight 103. He has strongly denounced the deal with Gadhafi.

The victims also included 20-year-old Theodora Cohen, known by "Theo," a drama student at Syracuse University who was coming home after studying abroad. She had a beautiful voice and dreamed of being an actress and singer. Her father and mother, Daniel and Susan Cohen, have been outspoken activists over the years in the forefront of seeking justice in the case. They have denounced the deal with Gadhafi in strong terms.

Another victim, Rosemary Wolfe's stepdaughter, 20-year-old Miriam, was another Syracuse student coming home for the holidays from study abroad. She, too, had a beautiful voice and wanted to be an

actress or singer. Rosemary Wolfe, the president of Justice for Pan Am 103, says the U.N. documents in the case must be released and that it appears that the U.S. has "totally caved in" to Gadhafi.



President Clinton and Secretary of State Madeleine Albright approved of a deal giving Libyan terror chief Moammar Gadhafi immunity from prosecution in the Pan Am 103 bombing case.

Even if the U.N. documents are ultimately released or shown under controlled circumstances to some people, it will be hard to change the perception that the "fix" is in and that a deal has been worked out. The contents of the letter may be less important than the fact that Kofi Annan was enlisted by the U.S. and Britain in unprecedented negotiations with Gadhafi.

In the future, state sponsors of terrorism will have reason to believe they will not suffer military retaliation but can beat the rap in court -- perhaps a U.N. court -- and with U.N. help.

Although Libyans have been charged, reports still circulate of Palestinian, Syrian and Iranian involvement in the crime. The ultimate truth could reveal a wide-ranging conspiracy involving major countries in the Arab/Muslim bloc. But if Gadhafi's regime is not held accountable, it seems doubtful that officials of Iran or Syria will be brought to justice, especially when Syria has been brought by the White House into "peace negotiations" with Israel.

Whatever the ultimate verdict, the trial is certain to remind Americans of a time when terrorist bombings and hijackings directed at Americans had become rather routine and how vulnerable the U.S. still remains today to terrorism.

Ironically, the controversy over the Administration's classification of the Pan Am documents came in the buildup to the Y2K turnover when the media were full of stories about possible terrorism directed at America and American citizens.

On December 21, 1999, on the 11th anniversary of the Lockerbie bombing, Gadhafi himself appeared on the CBS Evening News to declare that it was easy to understand why America was the target of international terrorism. "No one likes America," he said. "No one loves America. All peoples are against America because of its imperialist policy in the world."

The interview, conducted by Bryant Gumbel of the CBS "Early Show" program, also featured Gadhafi declaring that "America is right to expect hostile actions against it." But he quickly added, "I hope it will not happen."

Gadhafi's media appearance suggests a certain degree of confidence in the outcome of the Pan Am trial and his own standing in the world. It also demonstrates that his anti-American posture hasn't changed.

In a day of “war crimes trials” and international criminal courts, it is telling that Gadhafi himself has not been charged in the Pan Am bombing and that he is willing to appear in the U.S. media to make his case.

But the case against Gadhafi goes far beyond the Pan Am bombing.

Even if Gadhafi’s underlings are convicted -- and that is a big *if*-- the trial will not address the failure of the Clinton Administration to confront on-going Libyan production of chemical, biological and nuclear weapons that present a more serious threat to America and the world. This threat, like Libyan terrorism in general, is being directed by Gadhafi himself.

Capturing the significance of the trial itself, John Grant, Emeritus Professor at the University of Glasgow, Scotland, says, “The Lockerbie trial will be a trial of two people for the largest mass murder in Scottish and even perhaps world legal history. It’s the first time a Scottish court has sat outside Scotland. It’s the first time in Scottish legal history that a charge of this magnitude has been heard without a jury. It’s the first time the United Nations Security Council has been used to secure the surrender by a state of two of its nationals for trial abroad. It will probably be the longest criminal trial in Scottish legal history and I have to say it will certainly be the most expensive. Present estimates range from \$45 to \$66 million.”¹⁵

The outcome will say a lot about whether the U.S. and the “international community,” including the U.N., are really committed to international peace and justice. Or it may tell us that international terrorism pays, that international terrorists, including their leaders, can get away with cold-blooded mass murder, and that appeasement has become standard U.S. policy.

¹⁵ Lockerbie Trial Briefing, National Press Building, November 5, 1999.

Gadhafi, in an interview with *The Final Call*, the newspaper of Louis Farrakhan’s Nation of Islam, claimed the two accused are innocent and flatly predicted that they will be



Secretary of State Madeleine Albright authorized a secret deal with Moammar Gadhafi, the godfather of international terrorism. Her department has put the “classified” label on the contents of the deal so that the American people and the press cannot find out the terrible details.

cleared. He said that the American intelligence community bombed the plane so that Libya would be blamed and sanctions imposed on it. Libyans, he said, “cannot actually do it...” and were incapable of such a sophisticated crime.¹⁶

¹⁶ “One-on-One With the Final Call. A Final Call Exclusive Interview. Libya’s Gadhafi.” *The Final Call* On Line Edition. Posted November 18, 1999.

Setting the stage for the resumption of diplomatic relations with Libya, Clinton Administration officials have claimed that Gadhafi has not been linked to any international terrorist attacks for several years.

But that may have less to do with any “change of heart” than with domestic and international factors that have caused Gadhafi to act in the Lockerbie case. Clinton officials admit Gadhafi’s anti-American rhetoric hasn’t changed, and his regime remains on the State Department list of state sponsors of terrorism.



Louis Farrakhan shakes hands with Libyan official at United Nations building on March 4, 1998. The Libyan Mission to the UN. sponsored Farrakhan ‘s appearance and news conference.

Middle East analyst Mary-Jane Deeb has stated that she believes Gadhafi handed over the suspects for two reasons: “First, because Gadhafi had the domestic political situation in Libya well under control, having silenced most of his opposition; and second, because the economic situation was deteriorating rapidly due primarily to the fall of oil prices (which reached \$10 a barrel at one point) at the end of 1998 and the beginning of 1999, and threatened the survival of the Libyan regime.”¹⁷

Hence, the turnover may be a maneuver designed to con the West into believing that Gadhafi has changed, opening the way for more foreign investment in Libya and more business deals with the regime.

If Libya is rehabilitated, with Gadhafi still in power as an absolute dictator, it could very well mean that he will in the future have even more resources at his disposal to conduct international terrorism.

The next time, Gadhafi may be able to strike America with chemical, biological or nuclear weapons, killing thousands or millions rather than just hundreds.

London’s *Sunday Times* reported on January 9, 2000, that “SCUD missiles capable of hitting targets in Europe with chemical or biological warheads have been smuggled through Britain to Libya.” It said Libya had been caught in the act of smuggling SCUD missile parts through London. They had been disguised as automotive parts. Subsequent reports indicated that the parts came from a Chinese company called Hontex. Earlier shipments to Libya had traveled through Britain undetected and arrived in Libya.

¹⁷ Remarks to Middle East Institute Forum, “U.S.-Libya Relations: Prospects and Obstacles,” Washington, D.C., November 30, 1999.

The *Sunday Times* described the find as embarrassing for Robin Cook, the British Foreign Secretary, who had restored diplomatic relations with Libya. The revelation came as Cook was preparing to welcome Saad Mujber, Libya's new ambassador.

But the find was also extremely embarrassing to the Clinton Administration, which had been pursuing its own pro-Libya policy, at a slower pace.

"Libya already has chemical and biological weapons and is said to be working on a nuclear weapon," the *Sunday Times* said.

In May 1996, Clinton Secretary of Defense William J. Perry declared that a new chemical-weapons facility in the desert of Libya "will not be allowed to begin production." In 1998, however, Libya completed construction of the controversial Rabta chemical agent facility and began constructing a large, underground chemical warfare plant in the mountains near Tarhuna.

Prior to the revelation of Chinese arms smuggling of missile parts to Libya, it was reported that Libya was also "knocking on Russia's door looking for sophisticated arms." The story said, "Another market that appears to be expanding for Russia is Libya, thanks to the suspension of U.N. sanctions in April." It said the Russian state defense export agency was negotiating "to repair and modernize Soviet-era military hardware operated by the Libyan army."¹⁹

At the heart of the matter for America is whether the U.S. Government will act to

protect the lives of its citizens or if it will be a partner to a sleazy deal with terrorists, permit a terrorist regime to build weapons of mass destruction and modernize its army, and permit corporate greed to guide U.S. conduct in foreign affairs.

Will Americans be defended by their government or will the perpetrators of crimes of international terrorism directed against our fellow citizens, our families and our loved ones, be turned over to dubious international legal tribunals run by foreign judges?

In the case of Libya, there is already a shameless stampede underway by corporate interests to make business deals with the Gadhafi regime.

Clinton Caves

The Libyans are going to trial under circumstances radically different from what the U.S. originally proposed. In the beginning, the U.S. had held out the option of trying them in the U.S., where they could have received the death penalty. Before the Scottish court at Camp Zeist, near Utrecht, the Netherlands, where they are now being tried, they cannot face such a punishment.

The charges include conspiracy to murder, murder and breaches of the Aircraft Security Act of 1982. Similar charges were made in the U.S.

The original U.S.-British proposal envisioned a trial either in the U.S. or Scotland. British Foreign Secretary had acknowledged major obstacles to holding a trial under Scottish law abroad.²⁰ But this is what the Libyans ultimately proposed and what the U.S., at the urging of Britain, accepted. Hence, the trial represents a capitulation to Gadhafi.

¹⁸ See Appendix II, page 39.

¹⁹ Judith Matloff, "Russia cranks up arms production," *The Washington Times*, January 6, 2000, page All.

²⁰ John Roberts, "Britain-Libya: Nelson Mandela Breaks Impasse on Lockerbie Duo," Inter Press Service, October 27, 1997.

“The suggestion that a trial under Scottish law might be held abroad was first announced by the Libyans’ lawyer, Ibrahim Legwell, in 1994 after consultations with a team of Scots lawyers headed by Robert Black, professor of law at Edinburgh University,” according to one report.²¹

Black, a favorite of the European and American media who is presented as an expert on the case, says he was never a member of the Libyan defense team. But he made two trips to Libya and exchanged letters with Legwell to work out a deal. One report said Black had been in a meeting with Libyan officials along with James Swire, a representative for some of the British families of the victims.

**Official U.S.
Counterterrorism Policy**

- ! First, make no concessions to terrorists and strike no deals;
- ! Second, bring terrorists to justice for their crimes;
- ! Third, isolate and apply pressure on states that sponsor terrorism to force them to change their behavior; and
- ! Fourth, bolster the counterterrorism capabilities of those countries that work with the U.S. and require assistance.

Source: State Department Office of the Coordinator for Counterterrorism, Office of Public Affairs.

Black tells this journalist that he resents “any suggestion or implication that I am a stooge for the Libyans and connived in setting up a scheme which was designed to result in an acquittal.” He adds, “I am proud that my efforts (which, I may say have left me considerably out of pocket, since I have always refused to accept any payment from any Libyan source) eventually bore fruit and

²¹ Ibid

Britain and the United States will have an opportunity to lead in open court the evidence that they say establishes the guilt of the accused.”²²

Black maintains that, “The procedure at Zeist gives the accused no advantages that they would not have under ordinary Scottish criminal procedure: indeed, some might say that the absence of a jury is disadvantageous to the defense since the experience in Scotland is that it is much easier to get acquittals from a jury than a professional and experienced judge.”²³

But the *Washington Post* quoted a legal expert as saying that Libya was “well advised in agreeing to a Scottish court for a trial in the Netherlands...” The article added that, “Because Scottish criminal law requires the highest level of proof before a person can be found guilty, with even a scintilla of doubt allowing for a verdict of ‘not proven.’... [the accused] may walk away with a recorded verdict that says they must be freed...”²⁴

Black further insists that the U.S. and Britain will have an opportunity to present the “available evidence” in court. But this may ignore the evidence that is not “available” and that may be deliberately held back.

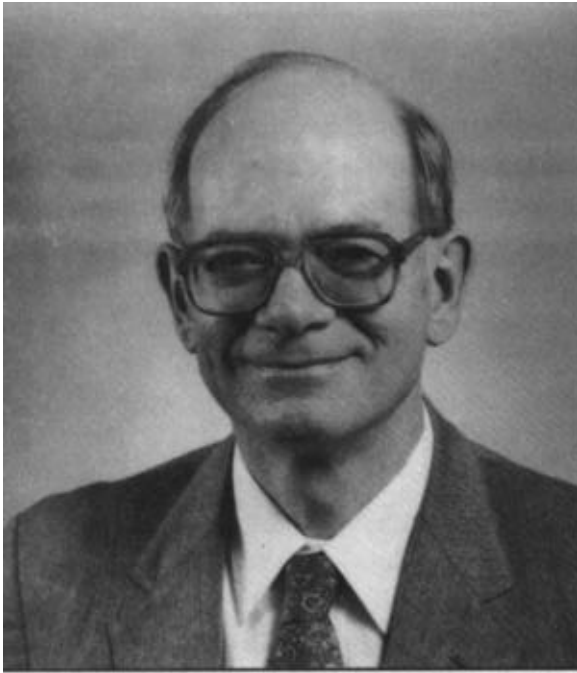
During the subsequent negotiations, Legwell was reported to have asked Britain for assurances that “no other Libyans would be prosecuted for the bombing.”²⁵ This appeared to lay the basis for the secret deal to keep some evidence out of the trial.

²² Email to author, December 13, 1999.

²³ Ibid., email to author.

²⁴ Nora Boustany, “Diplomatic Dispatches. A Chance of Going Scot-Free,” *The Washington Post*, August 28, 1999.

²⁵ Thomas W. Lippman, *The Washington Post*, September 8, 1993, page A22.



Ronald Neumann, Deputy Assistant Secretary of State in the Bureau of Near Eastern Affairs, claims that "stories about some behind-the-scenes deal are false. We have no hidden agenda." Yet he refuses to release the secret documents in the Pan Am case.

Former Bush Administration official John Bolton says this and other concessions to Gadhafi were accepted by Secretary of State Madeleine Albright as part of a process "of moving toward normalizing diplomatic relations with Libya." Consistent with this assessment, he says, are reports that normalization will be preceded by removing Libya from the list of terrorist states and lifting unilateral sanctions on Gadhafi.²⁶ Bolton also reported that the concessions were opposed by the Justice Department.

After securing the deal -- and after the Clinton Administration endorsed it -- Scottish Law Professor Robert Black appeared on the CBS 60 Minutes program on April 11, 1999, and an "ABC News Investigation" of the

²⁶ John Bolton, "Pan Am 103 policy rift?", *The Washington Times*, September 10, 1999, page A19.

matter on December 6, 1999, to suggest that elements of the case against the Libyans are weak.²⁷ Needless to say, Black's involvement in the case has been very worrisome for some American Pan Am families. He has been viewed as assisting in making a deal that may end up freeing the Libyans.

Black responds that "there is evidence (the reliability and weight of which it will be for the court to assess) that points in another direction. If this fact is unpalatable to some of the US relatives, I am sorry. But they can surely take comfort from the fact that the Scottish court will take its decision solely on the evidence (both prosecution and defense)."²⁸

But will all the evidence be presented in court? This is the question that should be asked by the world's free media.

If journalists truly believe in the public's right to know, they should join in demanding a copy of the secret documents on the U.N. deal with Gadhafi.

And if the U.S. and Britain were truly serious, they could produce at least some of the direct evidence against Gadhafi that has been obtained from sensitive intelligence sources and methods. There are procedures under which classified information can be introduced in a court of law.

²⁷ For a discussion of media coverage of the case, see Appendix III, page 41.

²⁸ *Ibid.*, email, December 13, 1999.

In fact, there appears to be intelligence information in the possession of British authorities linking Gadhafi directly to the crime. But it is very doubtful for political reasons that this information will be presented at the trial.

Regarding Gadhafi's role in the Pan Am bombing, The *Sunday Times* of London reported on May 23, 1999, that the British government had an intelligence operation that produced "clear evidence" of Gadhafi's personal involvement in the bombing. It quoted a former senior intelligence official as saying:

"We have known for a long while that Gadhafi gave the order. It is a sham for him to pretend otherwise and it is an even bigger sham for the British government to let him off the hook."

The British government issued a "gagging order" against The *Sunday Times* preventing it from publishing the details of the intelligence operation. "A letter from the Treasury solicitor warned that The *Sunday Times*'s information 'plainly came from a member of the intelligence community' and if published could 'be extremely damaging.'" ²⁹

The real concern didn't appear to be concern for intelligence sources and methods. Rather, the revelations were getting in the way of the British-led campaign to restore diplomatic relations with Gadhafi. As the newspaper reported, "Robin Cook, the foreign secretary, is preparing to rehabilitate Gadhafi after the decision to hand over for trial two men accused of putting the bomb on Pan Am 103."

The British have played a key role all along because the plane was destroyed over Lockerbie, Scotland, which is part of the United Kingdom, and killed 11 people on the ground. And while the Scottish prosecutors

are said to be "independent" and willing to pursue the evidence wherever it leads, the Scots are under the foreign policy direction of the British government. Scotland has no independent foreign policy.

Therefore, since the British have already resumed diplomatic relations with Libya, the assumption has to be that British authorities will not provide to the Scottish prosecutors any information or evidence that could lead to a change in the policy that has now been adopted. Such a change would be too embarrassing for the Blair government. In the same way they gagged *The Sunday Times*, they could withhold evidence from the Scottish prosecutors.

The British already have evidence of a Gadhafi role in a terrorist attack that killed a British police officer and they have decided to paper over this controversy as well.

Britain had broken off diplomatic ties with Gadhafi four years before the Pan Am bombing -- in 1984 -- after the shooting death of a London police officer, Yvonne Fletcher, during a demonstration against Gadhafi outside the Libyan embassy in London.

On July 7, 1999, when the resumption of diplomatic ties was announced, British Foreign Secretary Robin Cook said Libya "accepts general responsibility for the actions of those within the Libyan embassy at the time of the shooting," and that the Libyan government agreed to pay compensation to the family of officer Fletcher.

²⁹ Nicholas Rufford, Home Affairs Editor, "Government Gags Sunday Times. Official: Gadhafi's bomb plot," *The Sunday Times*, May 23, 1999.

But a 1990 book about Soviet intelligence operations, co-authored by an ex-colonel in the Soviet KGB, revealed that Gadhafi had a direct role:

“On April 18, 1984, the London residency [of the KGB] was informed by telegram that the Center had received reliable information that the shooting had been personally ordered by Gadhafi. The telegram revealed that an experienced hit man from the Libyan intelligence station in East Berlin had been flown in to London to supervise the operation.”³⁰

Of all the players in this controversy, the British are probably the worst hypocrites. They arrested former Chilean President Augusto Pinochet when he was in London for medical treatment, because of an indictment issued against him by a Spanish prosecutor for crimes committed when he took power in a military coup decades ago. It didn't seem to matter that Pinochet gave up his post and that Chile is a democracy today.

So why has Britain under the leftist Tony Blair government been so anxious to go after Augusto Pinochet and rehabilitate Moammar Gadhafi, an anti-American dictator? One answer is that Pinochet was “on the right,” meaning that he was an anti-communist, and Gadhafi was “on the left,” meaning he was aligned with the anti-American bloc of nations and postured as an “anti-imperialist” fighter. Another factor, of course, may be oil.

Whatever the motivation. British foreign policy considerations cast a shadow over the trial.

Vincent Cannistraro, former CIA chief of counterterrorism, told this journalist:

“There’s no doubt in my mind that the Libyan intelligence service carried out this operation. There’s no doubt in my mind that Moammar Gadhafi himself ordered this operation to be conducted. And I think the intelligence is very, very good and very clear on this.”

But he added that the problem is that “intelligence is one thing, and criminal evidence that is admissible in a court of law is completely different.”³¹

Will the U.S. Justice Department be prevented by the State Department from producing the evidence of a Gadhafi link to the bombing?

Publicly, the Clinton Administration claims that its initial cave-in, the change of venue to the Netherlands, was made “at the suggestion of many of our Arab and African friends,” according to Bruce Ridel, special assistant to the president and senior director, Near East and South Asian Affairs, National Security Council.³² This is regarded as a reference primarily to the influence of Prince Bandar Bin Sultan, the Saudi Arabian Ambassador to the U.S.; Saudi Crown Prince Abdullah, the de facto ruler of the country; and then-South African President Nelson Mandela, whose view was that the U.S. and Britain were not appropriate sites for a trial.

However, the U.S. was the home country for most of the 270 victims. If a trial were to be held, this is the logical and most appropriate place where the Libyans should have been tried. But rather than holding a trial, some say that the U.S. should have either tried to seize the Libyans or hit Libya hard militarily when the Libyan role became known and documented. This occurred in 1991 when the indictments were handed down.

³⁰ Christopher Andrew and Oleg Gordievsky, *KGB. The Inside Story* (New York: HarperCollins Publishers, 1990), page 632.

³¹ Interview, December 9, 1999.

³² United States Information Service, April 26, 1999, Speech at the Middle East Forum.

In 1986, President Reagan had ordered military strikes on Libya in retaliation for a Libyan role in another terrorist incident, the bombing of a West Berlin disco frequented by off-duty U.S. military personnel. The bombing of Libya had followed the U.S. interception of the terrorist hijackers who seized the Achille Lauro cruise ship. Under Reagan, the policy was to strike the terrorists hard.

But the Bush Administration, which took over the investigation of Pan Am 103, decided against military retaliation and in favor of legal proceedings against the two Libyans and unnamed "others." It also passed the matter on to the U.N. Security Council.

U.N. Security Council resolutions 731, 748, 883, and 1192 call upon Gadhafi to cease all support to terrorism, turn over the two indicted Pan Am 103 suspects for trial, and cooperate in the investigation.

But since Gadhafi had declared the accused to be innocent, even before the trial, it's difficult to understand how he can be viewed as cooperative. Libya has stonewalled prosecution requests for evidence in the case.

According to John Bolton, former assistant secretary of state in the Bush Administration, there was a lot of debate over how to proceed against the Libyans. Bolton had argued against turning the matter over to the U.N. because he anticipated that support for a tough approach would be lacking, especially among the Europeans. "Once you put it in a U.N. context, in effect you're in a bargaining mode because the Libyans are members," he noted.³³ The alternative approach was to make it an American legal and *military* matter, he said, which is what he favored.

The approach that was taken "is an example of the mentality and thinking that existed within the State Department and the bureaucracy generally even before the Clinton Administration came in," he said.

³³ Interview, December 3, 1999.

"This is a case where people said, 'Let's make this an international legal matter. Let's impose sanctions and then, if the Libyans turn them over, we'll withdraw the sanctions and try them.'"



Ambassador Michael Sheehan, coordinator for counterterrorism at the State Department, is a retired US Army Lieutenant Colonel and 1977 graduate of the US Military Academy. Sheehan knows that the secret deal with Gadhafi over Pan Am 103 violates the antiterrorism policy he is supposed to enforce. He also knows that US Military personnel died in the Pan Am bombing.

Bolton added that another factor was the Gulf War, which occurred early in 1991 and was waged by a multinational coalition authorized by the U.N. President Bush had even talked about a “New World Order” coming into being. The rationale was that, if the U.N. could be useful in the Gulf War, perhaps it could be useful in the case of Libyan terrorism.

Bolton explained, “There was a widespread view that ‘the Security Council works now, why don’t we just give it everything.’ I know that wasn’t the case. I argued against it.” He called it “euphoria” about the U.N. and a diplomatic multinational approach to U.S. problems.

State Department official Peter Burleigh, who served in both the Bush and Clinton Administrations, was a vigorous proponent of the U.N. approach. Burleigh was coordinator of the State Department Office of Counterterrorism in the Bush Administration and became Deputy Representative of the U.S. to the United Nations under Clinton. At the U.N., he handled Libya and Iraq matters.

Some Pan Am family members still remain outraged by the legalistic approach. “It’s a terrible thing that a two-bit government like Libya can attack and kill Americans simply because they’re Americans. What would happen if a couple of Libyan pilots had flown over Cleveland and had killed 189 Americans? That’s an act of war. *This* was an act of war,” says Daniel Cohen.

What’s worse, if the Libyans somehow escape justice, it could mean that an act of war against the U.S. would go completely unpunished, even in a legal context.

Ultimately, the issue may end up in the hands of the next administration.

Turning the tables on the U.S., Gadhafi’s regime has issued warrants for nine Americans who allegedly authorized or were involved in the 1986 bombing of Libya. Gadhafi has also filed a complaint with the

U.N.’s International Court of Justice, or World Court, challenging the handling of the Pan Am case by the U.N. Security Council and the U.S. and British governments. In February 1998, the World Court ruled that it had the authority to settle the Lockerbie legal dispute.

In short, the Pan Am trial isn’t the end of the international legal maneuvering over this case. In the end, the U.S. could find itself in the dock.

The Clinton Administration’s decision to change the location of the trial to accommodate Gadhafi is viewed as a major



UN. Secretary-General Kofi Annan negotiated a deal with Libyan terror chief Moammar Gadhafi. But he refuses to publicly release his letter to Gadhafi.

precedent that could lead to even more “international trials” in foreign countries, even of U.S. officials. The emerging International Criminal Court (ICC), with the power to arrest and prosecute American citizens, is designed for this very purpose.

The Washington Times reported on December 3, 1999, that the Clinton Administration had “resigned itself” to the creation of the ICC.³⁴

The Clinton Administration has been feeding the frenzy of international trials to solve foreign policy problems. It backed a “war crimes” trial of Yugoslavian President Slobodan Milosevic by a U.N. criminal court based at The Hague but has not proposed a similar effort to hold Gadhafi accountable for his international crimes.

An international trial of Gadhafi would seem to be a logical extension of the policy of isolating his regime pursued by the Reagan and Bush Administrations. The U.N. sanctions on Libya can be construed as a success in the sense that they put pressure on Libya and caused movement in the Pan Am case. But the Annan letter, issued in collusion with the Clinton Administration, represents a case of snatching defeat from the jaws of victory. Theodor’s father Daniel Cohen fears that Gadhafi has already won. “If Libya holds on long enough, we blink,” he says. “The last superpower has been beaten by a dictator.”

For some reason, when it came to Gadhafi, the idea of an international war crimes trial didn’t strike the Clinton Administration as logical and rationale. The reason may be dependence on foreign oil and the influence of the Arab/African/Muslim bloc of nations on U.S. foreign policy.

Daniel Cohen notes, “there’s a tremendous amount of money to be made from Libyan oil.”

There’s a lot of money to be made in general. And the U.S. sanctions against

³⁴ Betsy Pisik, “U.N. crimes court gets support without U.S.,” *The Washington Times*, December 3, 1999, page A1.

Libya are already being scaled back. On April 28, 1999, President Clinton announced he would exempt commercial sales of agricultural commodities and products, medicine and medical equipment from the sanctions against Libya.³⁵ This was widely seen as just a first step toward an even more liberalized export policy toward Libya.

Toward the ultimate goal of normal diplomatic relations, former high-ranking State Department official Herman Cohen held unannounced meetings with Gadhafi last April in an “unofficial” effort to promote friendlier relations between the two countries. It was reported that Cohen briefed the State Department after the trip³⁶ but did not get approval beforehand.

However, Associated Press reported that it was “highly unusual for a former diplomat of Cohen’s stature to undertake such an initiative...” This suggests a policy approved at the very top -- by President Clinton and Secretary of State Albright.

The Clinton Administration, which is very responsive to certain corporate interests, is under pressure from big oil companies. Big oil is lobbying the Clinton Administration and the Congress to resume diplomatic relations with Gadhafi because, as Daniel Cohen indicated, Libya sits on a huge lake of high quality crude oil. J. Michael Stinson, Senior Vice President for Government Affairs, Corporate Strategy and Communications for Conoco, Inc., one of several oil companies which either had their properties nationalized by Gadhafi or had to abandon them in Libya, puts it this way:

³⁵ See “Letter to the Congress on Libya,” The White House, Office of the Press Secretary, July 19, 1999.

³⁶ George Gedda, “Official: Let’s Mend U.S.-Libya Ties,” Associated Press, September 4, 1999.

"The Libyans have been producing the properties that we participated in all of these years.. For the last 13 years, they have produced roughly 400 - 450,000 barrels per day every day from those properties and sold them on world markets. Do the math. It's roughly \$5 million worth of energy sales that we have not participated in. And that means that the profit that would come from that did not go to our stockholders, did not come to the United States as tax revenues, did not support American industry that would have provided the equipment that was needed to produce those oil fields... So we are the ones who have been injured in the name of disciplining Libya. It's been probably too long... Let's try something different."³⁷

While Stinson also indicated great sympathy for victims of terrorism, his comments about moving forward are astonishing in view of Gadhafi's reputation as the godfather of international terrorism. Gadhafi was never just a minor player on the world stage and there is no indication that his basic anti-American views have changed in any significant way. If any international outlaw ought to be brought to justice by the international community, it is Gadhafi.

At a time when Gadhafi seems to have bent to the will of the international community, this would seem to be the ideal time to press the advantage and put even more pressure on the regime, perhaps causing the dictator's downfall.

This is the time when the U.S. and British governments should be following the indictments of Fhimah and Al-Megrahi with the indictment of Gadhafi himself. A civil suit has also been filed against Libya over the Lockerbie bombing which could bring out evidence of Gadhafi's role. Under the law, individuals who win court judgments against nations on the State Department's terrorist list can then identify and seize the assets of terrorist states. However, Clinton has waived

³⁷ Remarks to the Middle East Institute on "US-Libya Relations: Prospects and Obstacles," November 30, 1999.

this provision of the law, claiming it will interfere with the conduct of foreign relations.
³⁸

Clinton's waiver has prevented Stephen and Rosalyn Flatow of West Orange, New Jersey, from collecting on a judgment for \$247.5 million that they won against the government of Iran for a terrorist bombing in Israel that took the life of their daughter, Alisa.

Whatever the ultimate truth in the Lockerbie case, Gadhafi's record is well-known and it would be a complete miscarriage of justice for it to be put in the past just so more business deals can be made with Gadhafi.

It is now apparent that he was not completely trusted by his former patron, the Soviet Union. He was reportedly denounced in private by hard-line Soviet commentators and diplomats as a "criminal and a fascist"³⁹ and was regarded as mentally unbalanced.

In an indication of this, in a 3-hour March 1985 speech, Gadhafi publicly called for the hunting down of "stray dogs" -- dissidents -- and declared that the Libyan regime was justified in "liquidating its opponents at home and abroad in broad daylight." Gadhafi announced the formation of 150 highly trained terrorists "ready to carry out liquidations around the globe."⁴⁰

³⁸ See "Presidential Determination No. 99-1, Memorandum for the Secretary of State, the Secretary of the Treasury. Subject: Determination to Waive Requirements Relating to Blocked Property of Terrorist-List states," October 21, 1998."

³⁹ Christopher Andrew and Oleg Gordievsky, *KGB. The Inside Story* (New York: Harper Collins Publishers, 1990), page 551.

⁴⁰ *Ibid.* pages 632-633.

The 1998 State Department report on human rights practices found Gadhafi guilty of using “extrajudicial killing and intimidation to control the opposition abroad and summary judicial proceedings to suppress it at home.” The death penalty is authorized “for any person associated with a group opposed to the principles of the revolution...” The “stray dogs” have been abducted and eliminated by the regime.

The report added:

“Security personnel reportedly torture prisoners during interrogations or for punishment... .Methods of torture reportedly include: chaining to a wall for hours, clubbing, electric shock, the application of corkscrews in the back, lemon juice in open wounds, breaking fingers and allowing the joints to heal without medical care, suffocation by plastic bags, deprivation of food and water, and beatings on the soles of feet.”⁴¹

Gadhafi has waged a war against America at home and abroad.

In 1996, Gadhafi reiterated his call for a separate black state in the U.S. with its own black army. In 1985, at a Chicago convention, Gadhafi told a meeting of Louis Farrakhan’s Nation of Islam via satellite that he “wanted to help black Americans in an armed struggle to overthrow oppression.”⁴²

The Libyan news agency, JANA, quoted Gadhafi as saying, “Our confrontation with America was like a fight against a fortress from outside, and today we found a breach to enter into this fortress and confront it.” The “breach” was his alliance with Farrakhan, who has met with Gadhafi several

⁴¹ U.S. Department of State, Libya country Report on Human Rights Practices for 1998. Released by the Bureau of Democracy, Human rights, and Labor, February 26, 1999.

⁴² John Lancaster, “Gadhafi Sees Alliance With Farrakhan,” *The Washington Post*, January 26, 1996, page 1.

times, and the 10 million Muslims in the U.S. Gadhafi offered to spend up to \$1 billion on this war against America from within.

It is believed that Gadhafi ordered the Pan Am bombing in retaliation for the U.S. military strike on Tripoli, Libya in 1986. This strike had been ordered by President Reagan on April 15 after asserting that the U.S. had “direct, precise and irrefutable” proof that Libya was responsible for a bomb blast in a West Berlin discotheque 10 days earlier. The blast in the discotheque, a favorite nightspot for off-duty U.S. soldiers, had killed three people and injured 200. The three dead were two U.S. servicemen and a Turkish civilian.

Marine Lt. Col. Oliver North, a member of the National Security Council staff at the Reagan White House, participated in the planning of the seizure of the Achille Lauro hijackers and the American bombing of Libya.

In his book, *Under Fire*, he discusses the reason for the bombing:

“Although we had compelling proof of Libyan complicity [in the disco blast], there was no way to disclose the evidence without revealing sensitive details of our intelligence-gathering operations. Critics of the administration charged that we were inventing the Libyan role, but several years later, after the Berlin Wall came down, the East Germans admitted what we had claimed all along: that the orders for the bombing had come from Tripoli.”⁴³

It is now generally conceded that the evidence consisted of intercepted diplomatic cables from Libyan officials. Similar evidence is believed to be available in the Pan Am 103 case but it is not clear if it will be introduced in the trial. The suppression of this evidence may be part of the deal with Gadhafi that is represented by the Kofi Annan letter.

⁴³ Oliver L. North with William Novak, *Under Fire. An American Story* (New York: Harper Collins Publishers, 1991), page 216.

After the raid on Libya, North points out that Gadhafi went into hiding in the desert, "and for over a year he initiated no terrorist action of any kind."

The bombing of Pan Am 103 changed that. Significantly, it came during the end of the Reagan Administration. It was followed on September 19, 1989, by the destruction of a French airliner, UTA Flight 772, over Niger, killing all 171 passengers and crew members, including seven U.S. citizens. French investigators produced evidence linking the attack to Libya.

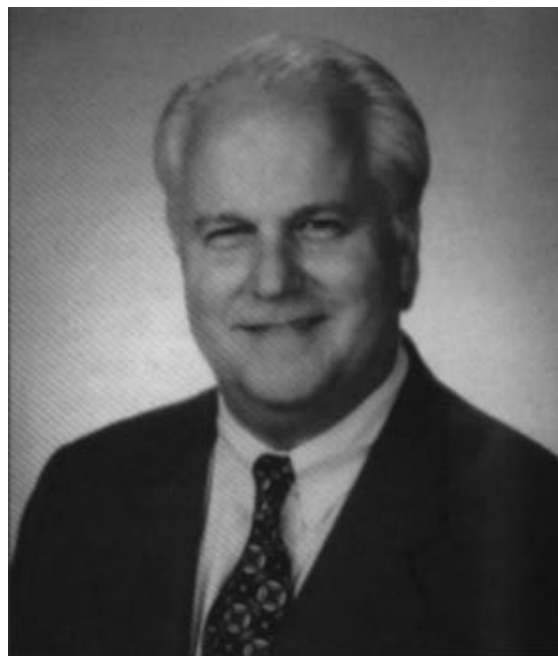
As noted by the U.S. State Department itself:

"The French officials believe that the Libyan intelligence service was responsible and named Gadhafi's brother-in-law, Muhammad Sanusi, as the attack's mastermind. (Six Libyan suspects, all intelligence officers, were tried in absentia by a French court in March 1999. The suspects were convicted on 8 March 1999.)"⁴⁴

In testimony on November 2, 1999, before the Senate Foreign Relations Committee Subcommittee on Near Eastern and South Asian Affairs, Ambassador Michael A. Sheehan, State Department Coordinator for Counterterrorism, noted that the French magistrate investigating the UTA 772 case "is seeking to indict Gadhafi himself" and that "We will be following this case very carefully over the next few months."

The question is why U.S. officials have not pursued this line of inquiry in regard to Gadhafi's role in the Pan Am 103 bombing.

⁴⁴ "Patterns of Global Terrorism 1998," Department of State Publication 10610, Office of the Secretary of State, Office of the Coordinator for Counterterrorism, Released April 1999.



Conoco oil executive Michael Stinson says American and foreign companies are eager to do business with Libya.

One answer is that the leftist Tony Blair government is manipulating and guiding U.S. policy.

The British have restored diplomatic relations with Libya and are treating Gadhafi, a dictator for 30 years, like a respectable head of state. Italian Prime Minister Massimo D'Alema became the first Western head of government in 15 years to meet Gadhafi when he visited Libya last December. In a carefully orchestrated announcement, Gadhafi used the occasion to promise to deny aid and protection to "those responsible for terrorist activities."⁴⁵

Why have the British caved on Libya? The answer, again, may be oil.

Libya's turnover of the two suspects and the suspension of U.N. sanctions have been widely viewed in the Arab world as likely to prompt the return of major international oil companies to Libya. Experts

⁴⁵ "Libya: Terrorism Renounced," *The New York Times*, December 3, 1999, page A8.

say that the "key beneficiaries" would be EM SPA of Italy, already Libya's biggest foreign oil producer, and Lasmo PLC of Britain.⁴⁶

Lasmo, with its corporate headquarters in London, claims "substantial reserves" in Libya and has been working there since 1990.⁴⁷ Its so-called "elephant discovery" in 1997 is said to be "the biggest oil discovery the country had seen for 13 years." The company is "looking to expand its portfolio in Libya," according to the *Oil & Gas Journal*.⁴⁸

According to one account, "Libya is North Africa's biggest oil producer and Europe's biggest North African oil supplier. Supplies from North Africa to European destinations have the advantage of being both timely and cost effective."⁴⁹

But Conoco's Stinson noted that the interest in Libya goes far beyond oil. He said, "European and Asian companies of all kinds -- the oil industry is no exception -- are returning to Tripoli to discuss a variety of projects in addition to the obvious refurbishing of their petroleum industry. Commercial aircraft, roads, electricity, telecommunications and other infrastructure-type projects seem to be on the top of the list."

In the commercial aircraft sector, Boeing has been widely reported to be interested in capturing part of the Libyan market. But it faces competition from the European consortium Airbus, which wants to sell 24 Airbus planes to Libya. "The problem with the potential deal," one report said, "is that some engine parts and electronic

⁴⁶ "Experts expect oil boom in Libya," ArabicNews.com April 6, 1999.

⁴⁷ <http://www.lasmo.com/location/africa/africa/html>

⁴⁸ "Patience, persistence preceded Elephant discovery in Libya," *Oil & Gas Journal*, May 17, 1999

⁴⁹ "Oil Industry Profile. Libya, Mbendi Information Services, <http://mbendi.co.za/cylboi.htm>

navigation equipment are U.S. supplied, which could contravene existing sanctions under the U.S. 1996 Iran-Libya Sanctions Act."⁵⁰

The resumption of diplomatic relations and business deals could be complicated by the trial itself, which could last for a year and feature hundreds of witnesses. But much of the trial could be a big diversion, intended to convince the public that the West is serious about dealing with terrorists when a deal with Gadhafi has already been worked out behind-the-scenes.

Attempting to offer an objective analysis of the trial, a group calling itself the Lockerbie Trial Briefing Unit held a press conference at the National Press Building in Washington, D.C. on November 5, 1999. Participants included John Grant, Emeritus Professor at the University of Glasgow, and currently a professor at the Northwestern School of Law at Lewis & Clark College in Portland, Oregon.

At the briefing, the speakers talked in detail about the trial. But they did not have a copy of the secret Kofi Annan letter and related materials, including the annex. Grant said, "I know what's it's alleged the annex says but I haven't seen the annex. But I understand there was an annex and it was sent by the Secretary-General to Col. Gadhafi as part of the inducement to surrender Al-Megrahi and Fhimah. I'd rather not speculate on something I haven't even read."

⁵⁰ "US law seen hampering Airbus supply to Libya-trade," Reuters, November 30, 1999.

George Williams, president of Victims of Pan Am 103, then asked Grant if the British could “interfere” in the trial.

Grant replied: “The United Kingdom was at the time and is now responsible for foreign affairs - foreign relations - for the whole UK. Devolution has made no difference to that. What devolution has done, what the Scottish parliament has done, is give Scotland its own internal self-government. So whatever commitments were made by the United Kingdom government in an annex, which I haven’t seen. would be binding on Scotland.”

He went on to claim, however, that the Scottish courts were “independent” of the UK and that such a letter would be “irrelevant” to the functioning of the trial. Asked if they would join in calling for the release of the Annan letter and related materials, Grant said:

“There was a lot of political maneuvering to get Al-Megrahi and Fhimah eventually released. That went on for a large number of years. It was only from the beginning of 1998 . . . that there was perceptible change in [the] government attitude toward trial in a neutral venue -- something the United States and the United Kingdom had adamantly refused to even contemplate up to about the beginning of 1998. At that stage, I suspect, the whole matter became quite politicized because having decided to go for a neutral venue in the Netherlands, the government.. insisted [they] weren’t going to negotiate and would only provide clarifications to Gadhafi. And I think what you’re suggesting is that the clarification provided in the annex, if it exists in the form in which we think it exists or people think it exists, was slightly more than a clarification, and in fact was a negotiation with Gadhafi...”

The same kind of a deal worked out with Libya has been attempted by the Clinton Administration with Iran over its role in the Khobar Towers bombing in Saudi Arabia in

1996 which killed 19 American servicemen and injured 500 others.

John McWethy of ABC News broke the story of how Saudi Arabia, which played a key role in dealing with Gadhafi over Pan Am 103, has tried to cover-up Iranian involvement in the attack. The *New York Times* has confirmed that the investigation into the attack has fallen apart, saying that families of the American victims of the bombing feared the Clinton Administration “has allowed justice for their loved ones to be sacrificed to the complexities of the relationship between the United States and Saudi Arabia.” McWethy described this relationship in blunter language, saying it was ‘based on a fact that will not change -- called oil.’

The *Times* story appeared on the very day that Secretary of State Madeleine Albright was appearing on NBC’s Meet the Press program, where she claimed that “things don’t happen overnight” in the case.

But it appears that the U.S. and the Saudis have identified the perpetrators but refuse to name them publicly and act accordingly.

During an appearance on ABC’s This Week with Sam and Cokie on October 10, 1999, Albright said Iranian officials may be involved but “there is no determination to the fact that the government officially sanctioned anything.”

Asked what the U.S. would do if it were proven that Iran had engineered the bombing. Albright was slippery, saying. “There are different ways, as you know with Pan Am 103 we went to a judicial process. There are sanctions. In addition. there are lots of different ways we can handle it. The point here is that we are in the middle of investigating what is clearly a very, very serious problem...”

On October 5, State Department press spokesman James Rubin's office had issued a statement referring to the investigation of Saudi nationals and "Iranian government officials" but stated that no conclusion had been reached on whether the attack was directed by the government of Iran. It turns out that Clinton sent a secret letter to Iran in August asking for help in arresting those behind the bombing.⁵¹ Iran rejected the request, saying, "These events have nothing to do with Iran."

This letter may have been a secret effort to get Iran off the hook for its role in the Khobar Towers bombing by letting the Iranian regime offer up a couple of low-level officials for the crime. A *Washington Post* story indicated that the secret Clinton letter sought Iranian help in taking custody of two suspects in the bombing living in Iran.

A secret letter, of course, also figures prominently in the matter that Albright brought up on the ABC show -- the terrorist destruction of Pan Am 103.

Confirmation of the "Pan Am approach" to Khobar Towers was confirmed in a December 3, 1999, *New York Times* story on how Clinton's "quiet approach" to Iran has been rebuffed. Reporters Jane Perlez and James Risen said the administration was pursuing "a solution to Khobar similar to that found in the case of Pan Am 103..."

They explained, "There, the United States, Britain and the United Nations negotiated Libya's handover of two intelligence officers for trial in a specially arranged court in the Netherlands. *But the government of Libya was not held responsible for the bombing*" (emphasis added).

This is apparently the new way of dealing with state sponsors of international

terrorism. The state is taken off the hook completely, perhaps in exchange for the turnover of some low-level officials who stand a good chance of beating the rap.

Officially, Albright's department has a policy against dealing with terrorists. But it has been exposed as a big lie. (30)

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⁵¹ Afshin Molavi, "Iran Rejects U.S. Request for Help in Bombing Investigation," *The Washington Post*, October 7, 1999, page A30.

State Department Analysis of Evidence in the Pan Am 103 Case

(Source: United States Department of State, April 1992.)

The Government of Libya was responsible for the bombing of Pan Am Flight 103 on 21 December 1988. This reviews both evidentiary material upon which the US indictment of two Libyan officials is based and background information that establishes links between those indicted and senior Libyan Government officials.

Summary

Scottish authorities and the US Department of Justice have charged two Libyans with carrying out the attack: Abd al-Basit Al-Megrahi, a senior Libyan intelligence official, and Lamem Fhimah, the former manager of the Libyan Arab Airlines (LAA) office of Malta. The charges are based on clear evidence that Al-Megrahi, Fhimah, and other unidentified coconspirators planned to bomb PanAm 103 by:

- Obtaining and attaching an appropriately marked Air Malta tag that circumvented baggage security measures and routed the bag containing the bomb to the Pan Am feeder flight to Heathrow and then to Pan Am 103.
- Setting the timer that activated the device so that the bomb would explode about one hour after Pan Am 103 was scheduled to depart Heathrow Airport in London.
- Using the knowledge and access gained from their official status as representatives of Libyan Arab Airlines (LAA) to facilitate the operation at Valletta's Luqa airport. This would have enabled them to bypass security checks and ensure that the suitcase containing the bomb was inserted into the baggage of an Air Malta flight to Frankfurt.

Al-Megrahi, a senior Libyan intelligence official, acted with the approval of the highest levels of the Libyan Government. We believe Sa'id Rashid--a leading architect and executor of Libya's anti-US and antidissident terrorist policies for the last decade, and a member of the Libyan Government's inner circle--was the senior government official who orchestrated the attack. An operation of this sophistication and magnitude, involving people so close to the Libyan leadership, could have been undertaken only with the approval of senior Libyan officials.

The Case

The US indictment is based on evidence directly linking Libyan officials to the suitcase containing the bomb and its insertion into the baggage system. The evidence also directly links Al-Megrahi to the Swiss company that manufactured the timer used in the attack.

The Suitcase

Forensic analysis has identified the bag that contained the Pan Am 103 bomb as a brown, hard-sided Samsonite suitcase. The following evidence links Al-Megrahi and Fhimah to the suitcase:

-- Al-Megrahi, traveling in alias, arrived in Valletta with Fhimah from Libya on the evening of 20 December 1988

--the day before the bombing. Fhimah, the former manager of the LAA office in Valletta, retained full access to the airport. Al-Megrahi and Fhimah brought a large, brown hard-sided Samsomte suitcase with them into Malta on that occasion.

-- Scottish investigators traced clothing that had been packed in the bomb suitcase to a Maltese clothing shop. A Libyan bought the items several weeks before the bombing, most likely on 7 December 1988. Airport arrival cards demonstrate that Al-Megrahi was in Malta on 7 December.

-- In February 1991, Al-Megrahi was described as resembling the Libyan who had purchased the clothing items.

The Bomb Insertion

Frankfurt airport records for 21 December show that an unaccompanied bag was routed from Air Malta Flight 180 (KM 180), out of Valletta's Luqa airport, to Frankfurt, where it was loaded onto the Pan Am 103 feeder flight to London. The evidence indicates that a properly marked Air Malta baggage tag would have routed the suitcase containing the bomb to John F. Kennedy Airport in New York via Pan Am 103. The following evidence implicates Al-Megrahi and Fhimah in this process:

-- Fhimah's diary contains a reminder for 15 December 1988 to pick up Air Malta tags--a violation of airport and airline regulations. Other diary notations indicate that Fhimah accomplished this task.

-- According to Luqa airport records and staff, the baggage for KM 180 was processed at about the same time as their bags for a Libyan Arab Airlines flight (LN 147), bound for Tripoli.

-- Al-Megrahi, still traveling in alias, boarded LN 147 on the morning of 21 December 1988, the same morning that the bomb was inserted into the baggage of the KM 180 flight. Al-Megrahi's flight back to Libya checked in at the same airport passenger check-in counter as KM 180, and the check-in periods for the two flights overlapped.

The Timer

A circuit board fragment recovered from the Pan Am 103 bomb was part of a sophisticated

electronic timer of a type that Senegalese authorities discovered in the possession of two Libyan terrorists arrested in February 1988. The timers, marked MST-13, were manufactured by Meister et Bollier (MEBO), a Swiss electronics firm located in Zurich.

The MST- 13 timers are unique. MEBO was the sole manufacturer. All the MST- 13 timers produced were delivered to the Libyans.

MEBO provided the Libyan External Security Organization (ESO, also referred to as Jamahirya Security Organization [JSO]) with 20 MST- 13 timers in late 1985 and made no more MST- 13 timers. Two ESO electrical engineers commissioned and took possession of the timers: Izz Aldin Hinshiri, Libya's current Minister of Communications and Transport, and Sa'id Rashid.

Al-Megrahi is a close relative and longtime associate of Sa'id Rashid. At the time Rashid took delivery of the timers, Al-Megrahi was his immediate subordinate.

Al-Megrahi rented office space at MEBO and transited Zurich on at least two occasions in December 1988.

Libyan Government Responsibility

The conclusion that the Libyan Government approved the Pan Am 103 bombing is based on Abd-al-Besit Al-Megrahi's central and continuing role in Libyan intelligence operations and on his close association with Libyan Government officials who have implemented and directed Libya's use of terrorism over the years as a tool of government policy. The career progress of these officials over the years indicates that the Libyan Government has consistently endorsed their operations, tactics, and targets.

Al-Megrahi's Intelligence Responsibilities

Abd al-Basit Al-Megrahi's deep involvement in Libya's most sensitive, high-priority procurement operations indicates that he enjoyed the fullest confidence of Libya's leadership. We believe that his contacts and experience in the fields of civil aviation, cargo movement, and small business operations also provided him with a ready-made infrastructure to support the staging of the Pan Am 103 bombing.

Al-Megrahi is a senior intelligence official with strong ties to Libya's military procurement apparatus and to the ESO. In 1987 he became the director of the Center for Strategic Studies (CSS), a unit that served the ESO and the Department of Military Procurement through a variety of activities, including:

- Procurement of chemical weapons precursors. An Al-Megrahi subordinate operating in Germany in 1988 played an important role in acquiring and shipping chemical weapons precursors to Libya. Al-Megrahi is also linked to a senior manager of Libya's chemical weapons development program.
- Procurement of aircraft and aircraft components for the Libyan military and LAA. Badri

Hasan, another close collaborator of Al-Megrahi, is one of Libya's leading experts in circumventing US embargo provisions barring the sale of US technology and aircraft components to Libya.

-- Assisting with Libya's effort to co-opt or sponsor Latin American terrorist groups. Under Al-Megrahi's leadership, the CSS assisted other Libyan outreach agencies by contributing to propaganda campaigns, collecting intelligence on the attitudes of radical groups, and assessing the intelligence or operational utility of Arabs who resided in target countries.

-- Setting up travel agencies and other front companies to facilitate the travel and movement of goods and people, an activity that we believe supported both the procurement and outreach programs of the CSS and other Libyan intelligence entities.

Senior Libyans who worked closely with Al-Megrahi and other CSS officials involved in these activities include:

-- Col. Rifl Ali Ai-Sharif a senior Libyan military officer with a prominent role in Libya's procurement effort. Col. Al-Sharif, the mentor/patron of Badri Hasan, reportedly assisted efforts by Al-Megrahi and Badri Hasan to illegally acquire US aircraft via Benin in 1986 and 1987 and sponsored the establishment of a travel agency as a joint CS S/military procurement enterprise in Eastern Europe.

-- Sa'id Rashid, who in 1988 paid and instructed the chemical weapons precursor procurement specialist working for Al-Megrahi in Germany.

Al-Megrahi's Terrorist Record

Al-Megrahi's position and contacts in the Libyan intelligence apparatus place him firmly in the camp of his first cousin Sa'id Rashid--a leading architect and implementer of Libya's terrorist policies and a powerful member of the Libyan Government's inner circle. For at least two years before his early 1987 appointment as CSS director, Al-Megrahi was ESO chief of airline security, reporting directly to Rashid, who was ESO chief of operations throughout 1986.

Al-Megrahi continued his terrorist activities after becoming CSS director in early 1987. During 1988, Al-Megrahi:

-- Met in Malta with a team of Libyan intelligence operatives planning to travel to Chad to conduct an unspecified operation. Abdallah Sanussi--newly appointed chief of ESO operations--ordered the team to abort the operation when it was unable to make appropriate airline connections. Sanussi is one of four Libyans whom France indicted on 30 October 1991 for the September 1989 bombing of UTA 772, which exploded after leaving Ndjamena airport in Chad.

-- Met with Greek arms dealers and expressed interest in acquiring 1,000 letter bombs and associated technical equipment.

Sa'id Rashid and Libyan Terrorist Operations

Sa'id Rashid has managed a sustained Libyan effort to conduct terrorist attacks against US interests since the early 1980s. Rashid has long enjoyed privileged access to the top levels of the Libyan Government and is involved in a wide range of intelligence activities. He is a senior member of the Revolutionary Committees Bureau, which oversees the execution of the Libyan Government's radical policies in Libya and abroad.

Rashid rose rapidly in the ESO and in Libya's revolutionary committee apparatus during the early and mid-1980s, while aggressively pursuing the Libyan Government's dissident assassination programs and the terrorist and subversive aspects of the government's African policies.

An Italian court has sentenced Rashid in absentia to life imprisonment for his leadership of a team that assassinated a Libyan exile in a Milan train station in July 1980. This assassination was one of many in an antidissident campaign that spanned Western Europe and was directed by Rashid through at least 1985:

-- In October 1980, Rashid led a team to Togo that planned to assassinate Chadian President Hissan Habre.

-- In 1983, Libya illegally detained 37 French citizens in a successful effort to force France to release Rashid, who had been jailed in Paris pending extradition to Italy on murder charges related to the 1980 assassination in Milan.

Rashid began to direct attacks specifically against US interests in late 1981, when he assumed overall operational responsibility for Libya's effort to overthrow the Sudanese regime of President. Ja'far Numeii, then a close ally of the United States. During this period, Rashid and his subordinates trained, equipped, and directed Sudanese terrorists who attempted to bomb US interests on several occasions using concealed bombs equipped with decade timers and containing Semtex-H. Decade timers were a signature item of Libyan and Libyan-sponsored terrorists during the early 1980s.

One such bomb, concealed in a cigarette carton. was used in a failed attempt to bomb a Pan Am flight in December 1983. The terrorist attempted to check an unaccompanied bag onto an Alitalia flight departing Istanbul for Rome. The bag, which was discovered by Turkish authorities as a result of heightened security procedures, was tagged in such a way that it would have connected with a Pan Am flight departing Rome for New York, thus following essentially the same procedure that succeeded in the case of Pan Am 103.

Rashid continued to play a key role in Libyan targeting of US interests after tensions mounted between the two countries in mid-1985:

-- Rashid's operatives began planning an attack on US facilities in Turkey in early 1986, culminating in a failed attempt to bomb the US Officers Club in Ankara in late April 1986. The Libyan intelligence officer who directed the operation within Turkey was operating under

cover as an LAA official.

-- Rashid tasked several Palestinians to target US facilities in Germany and directed the April 1986 bombing of the La Belle disco in Berlin. The La Belle bomb, specifically intended to kill American service personnel and their dependents, killed three people--two of them Americans.

-- The day after the La Belle disco bombing, Rashid traveled to Khartoum, where he continued his work with Sudanese oppositionists. Rashid was in Khartoum on 15 April 1986 when a US Embassy official was seriously wounded in retaliation for the US bombing of Libya earlier the same day.

-- Rashid was one of the Libyan engineers who provided design specifications to the Swiss firm MEBO which manufactured the timer used in the Pan Am 103 bomb. He also demonstrated a MEBO remotely activated briefcase bomb to Palestinian recruits.

-- Both the Libyans arrested in Senegal with the MEBO timer had been Rashid's subordinates since the early 1980s.

In early 1987, the Libyan Government moved Rashid from the ESO to the directorship of the Libyan Electronics Company, which is heavily involved in technology transfer and other procurement activities. At the same time the Libyan Government placed Al-Megrahi in charge of the Center for Strategic Studies. We believe that the two cousins continued to coordinate their activities as they became more deeply involved in procurement programs--as in their joint supervision of Al-Megrahi's chemical weapons procurement specialist in Germany.

Al-Megrahi's Other Supervisors

Al-Megrahi, as CSS director, reported, or can be linked directly, to the following prominent Libyans:

-- ESO director Ibrahim al-Bishari used Al-Megrahi's office at MEBO, in Zurich, as an accommodation address and claimed that Al-Megrahi worked directly under him as director of the CSS. Al-Bishari is currently Libya's Foreign Minister and reportedly retains his intelligence portfolio.

-- In fall 1988, Abdallah al-Sanussi was Al-Megrahi's immediate ESO supervisor. Al-Megrahi was a terrorist who worked at the CSS for Sanussi. Al-Sanussi is one of the Libyan Government's chief intelligence aides. He authorized, directed, and provided funding for a number of Libyan terrorist operations over the years. French judicial authorities have lodged criminal charges against al-Sanussi for the September 1989 bombing of UTA 772.

-- Nasir Ali Ashur has been linked both to Al-Megrahi and to the MEBO timers. Ashur, who oversaw earlier tests of the timers to ensure they would be completely destroyed by an explosion. was seen at a meeting at Al-Megrahi's house two days before the Pan Am 103

bombing. Maltese embarkation records and a US intelligence source also show that Ashur and Al-Megrahi met in Malta in early October 1988 and that the two traveled together from Zurich to Malta in August 1987. Ashur has been declared by the French to be the equivalent of an unindicted coconspirator for his management of Libya's policies of providing massive amounts of arms--including tons of Semtex-H--to the Provisional Irish Republican Army.

-- Abdallah Mahmud Hijazi is probably also a key contact of Al-Megrahi, although we lack concrete evidence of direct linkage. Hijazi, Rashid's longtime patron, was until 1986 the director of Libya's Department of Military Procurement. In 1988, he was reportedly a key organizer of Libyan subversive operations in West Africa and Chad.

-- Ibrahim Nayili, whom the French indicted on 30 October 1991 for his role in the bombing of UTA 772, has been identified by several sources as the ESO official in Athens who placed potential sources of arms and aircraft components in contact with Al-Megrahi. Al-Nayili became ESO chief of airline security in mid-1989--the same position that Al-Megrahi held before becoming CSS director.

The Historical Context

The foregoing has described Libya's links to Pan Am 103, the individuals involved, and the central role those individuals play in the terrorist and intelligence programs of the Libyan Government. The terrorist case against the government does not begin or end with the destruction of Pan Am 103. We have seen a consistent pattern of Libyan-inspired terrorism that continues after the Pan Am 103 atrocity to the present. This pattern seriously undermines any argument that Pan Am 103 was a rogue operation that did not meet with the approval of Libya's most senior authorities. An operation this important could not have been undertaken without the consent of the highest levels of the Libyan Government.



This is the wreckage of French UTA Flight 772. The explosion in 1989 killed all 171 passengers and crew members, including seven U.S. citizens. A French court blamed Libya for the terrorist crime.

Libya's Weapons of Mass Destruction

(Source: "The Proliferation Challenge: Regional Capabilities, Intentions and Trends," Department of Defense, September 3, 1999.)

(Note: This DoD report was released before it was disclosed that Libya had been caught smuggling missile parts from China for Scuds with a distance of up to 600 miles.)

Libya remains a significant proliferation concern. Libyan leader Muammar Qadhafi has shown that he is willing and capable of using chemical weapons and missiles against his enemies. Libya sees the United States as its primary external threat, owing especially to U.S. support for UN sanctions against Tripoli for its refusal to turn over suspects in the terrorist bombing of Pan Am 103. Although Libya's capabilities to use chemical agents and missiles are limited, Qadhafi could provide these weapons to states he supports and that support him in return.

CHEMICAL PROGRAM

Libya is one of few nations in the last decade to have employed chemical weapons, having dropped chemical agents from a transport aircraft against Chadian troops in 1987. Iran supplied the agents in exchange for naval mines.

In addition, Tripoli has looked to establish an indigenous chemical warfare program, and in late 1988, with extensive foreign assistance, completed construction of the Rabta chemical agent facility. During three years of operation, at least 100 metric tons of blister and nerve agents were produced at this facility. When the United States brought Libya's chemical warfare program to the attention of the international media in 1988, Libya responded in 1990 by fabricating a fire to make the Rabta facility appear to have been seriously damaged.

Although the Rabta facility appears inactive, Libya's chemical weapons program continues to flourish. To replace the Rabta facility, Libya has begun constructing a large, underground chemical warfare plant near Tarhunah, a mountainous region about 60 kilometers southeast of Tripoli. Putting the facility underground masks its activities and increases its survivability in case of an attack. In the meantime, Libya will rely on foreign sources for its precursor needs. Libya claims it will not sign the CWC as long as other countries in the region possess NBC weapons. Libya almost certainly will keep its chemical warfare program as long as Qadhafi remains in power.

BIOLOGICAL PROGRAM

Libya continues its efforts to establish a biological warfare capability. However, hampered by its inadequate biotechnical foundation, the Libyan offensive biological warfare program remains in the early research and development stage. Libya may look to small research and

development programs supported by universities to fill in the gaps in its technical knowledge. These technical shortcomings, combined with limitations in Libya's overall ability to put agents into deliverable munitions, will preclude production of militarily effective biological warfare systems for the foreseeable future.

BALLISTIC MISSILES

Libya's only operational ballistic missile system is the SCUD-B, acquired from the former Soviet Union in the mid-1970s. The acquisition of an extended-range missile, such as the North Korean NODONG, and the development of an indigenous missile -- designed to reach 1,000 km -- would give Libya the capability to reach regional adversaries.

International constraints make purchasing a longer range missile, such as North Korea's NODONG, difficult. In addition, developing an indigenous ballistic missile production program also requires extensive foreign assistance. So far, Libya's program has made slow progress in its 13-year history, and has succeeded only in manufacturing liquid-fueled rockets with an approximate range of 200 kilometers. However, despite this lack of dramatic gain, the program continues to receive government support.

In addition to its liquid-fueled rocket program, Libya also may pursue testing and production of solid-propellant tactical rockets and missiles. Although UN sanctions have impeded its ability to obtain the technologies it needs for these programs, Libya continues its research and development efforts aimed at acquiring ballistic missiles.

CRUISE MISSILES AND OTHER MEANS OF DELIVERY

Libya has Soviet-made shipborne and European-made land-based and shipborne anti-ship cruise missiles. Libya has artillery and tactical rockets, as well as several aircraft that could deliver chemical agents, including MiG-23, Su-22, and Su-24 fighters; Tu-22 bombers; Mi-2 and Mi-8 helicopters; and AN-26 transports.

Libya's Propaganda Offensive

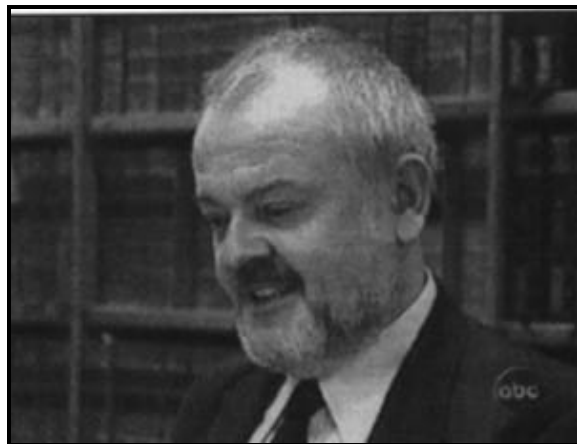
It happened 11 years ago. But the media returned to the Pan Am 103 bombing on December 7, 1999, when the two Libyans accused of bombing the plane made their first public appearance where their trial is being held. The bombing killed 270 people, including 189 Americans, over Lockerbie, Scotland, but the trial is being held before a Scottish court in the Netherlands. The occasion was a motion by the defense to have a key charge against them thrown out, and to have the prosecutors quit referring to them as Libyan intelligence agents. *The Washington Post* thought the hearing went good for the Libyans, headlining its story, "Prosecutor Stumbles In Pan Am Bomb Case." The reporter said the prosecutor "appeared flustered and confused" during the hearing.

But the prosecutor won the next day when the Scottish judge presiding at the hearing threw out both defense motions. He ruled that the charge of conspiracy to murder could remain, and that the defendants could still be described as intelligence agents. The defense team had claimed that references to their Libyan intelligence agency affiliations were designed to make the defendants look bad. The Scottish prosecutor said the affiliations were a factual matter.

The Washington Post's dubious story was less important than a so-called ABC News "investigation" of the case that aired the same day. London-based journalist Sheila MacVicar tried to poke holes in the prosecutor's case and suggested that the evidence against the defendants was so weak that they might get off.

The main charge is that the Libyans destroyed the aircraft by causing a suitcase to be put on board containing a bomb hidden in a radio-cassette player. As with the case of a CBS 60 Minutes story on April 11, 1999, MacVicar presented Scottish law professor Robert Black (pictured above) as an expert on the case. He claimed the evidence against the Libyans was weak. But MacVicar never told viewers that Black traveled to Libya and worked with the Libyan defense team to have the trial moved from the U.S. or Britain to a third country. Black says he was never a member of the Libyan defense team and did not participate in a scheme designed to result in an acquittal. But the transfer of the trial to the Netherlands was viewed as a major capitulation to Gadhafi. Black is viewed with suspicion by some American families of the Pan Am victims because, despite his denials, it appears he has assisted the Libyans in getting the trial moved to a location where they may stand a better chance of getting off.

Former CIA counterterrorism chief Vincent Cannistraro, who is a consultant to ABC News on terrorism issues, was NOT consulted by MacVicar on this Pan Am story. This was a very strange decision on the part of ABC News. Cannistraro understands the details of the case.



He says the evidence is strong, especially on Libyan terrorist leader Moammar Gadhafi's role. Yet Gadhafi, once known as the godfather of international terrorism, has not been charged in the case -- a mystery that MacVicar failed to even mention. The secret U.N. letter to Gadhafi may help explain this mystery, but MacVicar didn't mention that, either.

The British government last year stopped the London *Sunday Times* from publishing details of an intelligence operation showing that Gadhafi personally ordered the bombing. If MacVicar had brought that up, she might have moved into an area of controversy that really deserves more media scrutiny: why has Gadhafi not been charged in the case, and why have the British already restored diplomatic relations with Libya? The real story is how the British government of Tony Blair is sabotaging the case against the Libyans. Being based in London, Sheila MacVicar is in a perfect position to cover that story.

Cannistraro has a simple explanation for the gagging of the *Sunday Times*. "That's part of the agreement" with the Libyans and the U.N., he says. "The British have just established diplomatic relations." The deal was that we "weren't going to indict the Libyan government," he points out. He adds that the Libyan defense team has been "very successful in getting to the press, particularly in Europe and Scotland, and putting out misleading information." Here, he says, the Justice Department refuses to put out the information in its possession. saying "that would be leaking." The Libyans, Cannistraro charges, "have been spending millions of dollars over the year to buy favorable commentary."

Cannistraro was included in the April 11, 1999, CBS 60 Minutes story, narrated by Ed Bradley, and featured as someone who believed that the actual perpetrator of the Pan Am 103 bombing was Ahmed Jibril, Syrian-based leader of a Palestinian terrorist group called the People's Front for the Liberation of Palestine General Command (PFLP-GC). But this was an old interview that was taped before evidence in the case began to point to the Libyans.

Cannistraro, who retired in November 1990, explains, "My own personal feeling is the PFLP-GC had accepted this assignment - had actually offered their services to the Iranians - - to conduct a revenge operation for the USS Vincennes shootdown of the Iranian airbus in the Gulf in July of that year. The Iranians had accepted and the PFLP-GC had sent in motion an operation to strike out at several American targets -- some in Germany, including American military -- and one against an airliner which wa~ probably going to be Pan Am. That seemed to have been interrupted in October by the German arrests [of PFLP-GC members]. And of course the bombing takes place 2 months later. I suspect what happened -- and this is my own personal feeling -- is the PFLP-GC turned the operation over to the Libyans. There's no doubt in my mind that the Libyan intelligence service carried out this operation. There's no doubt in my mind that Moammar Gadhafi himself ordered this operation to be conducted. And I think the intelligence is very, very good and very clear on this."

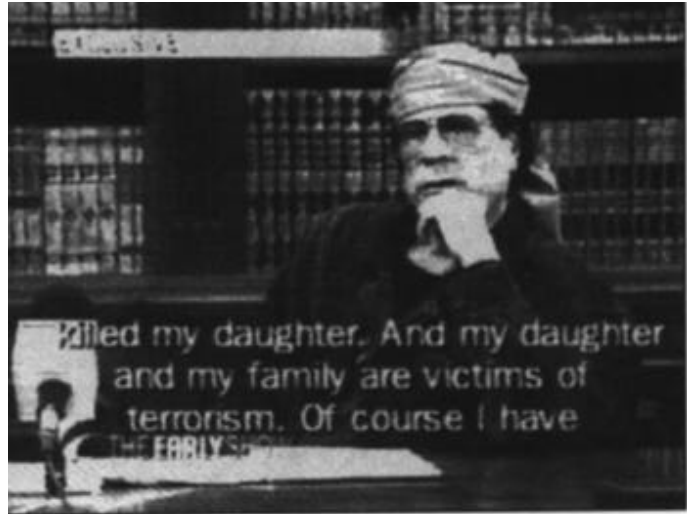
Gadhafi's Dead "Adopted Daughter" Ploy

For those who doubt the effectiveness of Libyan propaganda and lies, consider the case of Gadhafi's "adopted daughter," who was said to have died in the 1986 American military raid on Libya. A front page article in the *New York Times* said that Gadhafi was in hiding after the attack but that "His daughter, Hana, died two and a half hours after suffering

a concussion and internal injuries from an explosion next to the colonel's home." The *Times* reported that "Hana" was 15 months old. But according to whom? There were no sources cited for these alleged statements of f~ct. Before the attack, *Time* magazine had carried a cover story about the confrontation with Libya which carried a photograph showing "The Libyan leader, his wife Safla and three of their sons in the desert." There was no reference to a daughter. After the raid, Time said that "an 18-month-old girl, reportedly his adopted daughter Hana, was said to have been" killed. The

15-month-old girl had become 18 months old and was now "reportedly" an adopted daughter who was "said" to have been killed. Later, the *Washington Post* reported that she was only one year old.

Would the Libyans make the whole thing up to generate sympathy for Gadhafi? American reporters in Tripoli knew that the Libyans were notorious liars. As Christopher Dickey of the *Post* reported at the time, the Libyans claimed they had shot down 20 American planes and attempted to show reporters the wreckage of one of them. But Dickey added that reporters were shown no wreckage "nor was there any evidence of the pilot said by Tripoli Radio to have been captured and beaten to death by an angry mob."



On June 19, 1986, Gadhafi granted his first interview to a Western reporter since the raid. What was interesting is that while Gadhafi told Marie Colvin of United Press International that bombs fell on his house and threatened his family, he never mentioned the death of his "daughter." *The Washington Post* followed a story about the interview by noting that, in response to a question, a UPI editor said Gadhafi "did not mention the reported death of the infant in the raid and that the question was not asked during the interview."¹

"The Softer Side of Libya" was actually the headline over a September 12, 1999 *Post* story by Howard Schneider about Gadhafi's effort to tame the country's "outlaw image." Notice the failure to use the word "terrorist." Gadhafi was described as someone who promoted himself as "author of a new, anti-colonialist world order" but had shifted the Libyan policy "away from championing liberation armies..." The occasion of the story was a celebration of Gadhafi's 30 years in power. "Hundreds of journalists from around the world were given visas to cover the event, many flown here and housed at the government's expense," Schneider reported.

In connection with the 11th anniversary of the Lockerbie bombing, Gadhafi himself surfaced in the U.S. media during an appearance on the CBS Evening News and the CBS "Early Show" with Bryant Gumbel. In the "Early Show" appearance, Gadhafi (pictured above) claimed to sympathize with the families of the victims of the Pan Am bombing. He brought up the old unsubstantiated claim about his own "daughter" having been killed in the U.S. bombing of Libya. In response, Daniel Cohen told Gumbel that it was "obscene" for Gadhafi to claim common feelings with the Pan Am families. Susan Cohen said that listening to Gadhafi was like a Holocaust victim hearing Hitler say that, now that he had killed millions of Jews, he wasn't going to do it anymore and that we should all "be friends."

¹ See Cliff Kincaid, "Focus on the Media," *Human Events*, May 10, page 10. and July 12, 1986, page 14.

Does Terrorism Pay?

This report reveals:

! How the Clinton State Department and the United Nations have concealed a secret letter to Libyan terrorist leader Moammar Gadhafi that gives him immunity from prosecution in the Pan Am 103 case.

! How the Clinton Administration violated its own stated policy of not negotiating with terrorists by caving in to Gadhafi's demands on Pan Am 103.

! How Big Oil companies are lobbying for normalization of relations with Libya so they can profit from Libyan oil.

! Why Gadhafi's repudiation of international terrorism is a fraud, why he turned over the Pan Am suspects, and how he is consolidating his power and resources so he can strike the U.S. in the future with chemical and biological weapons.

! Why the British sold out to Gadhafi, and how the left-wing Tony Blair government could sabotage the Pan Am 103 trial by withholding evidence of Gadhafi's role in the terrorist bombing.

! Why the Blair government has facilitated international legal action against former Chilean President Augusto Pinochet but wants to let Gadhafi off the hook for his crimes of international terrorism.

! How the Clinton Administration is trying to make a deal with Iran over the Khobar Towers bombing similar to the deal with Gadhafi over Pan Am 103.

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