

THE WALL STREET JOURNAL.

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THURSDAY, DECEMBER 12, 2002 - VOL. CCXL NO. 116 - ★★ \$1.00

Litigating Terror

Tobacco Lawyer Takes On Saudis In a Sept. 11 Suit

Mr. Motley's Action Sparks
Intense Lobbying, Divides
The Bush Administration

Allegations of al Qaeda Links

By MILO GEYELIN
And JESS BRAVIN

Earlier this year, the Federal Bureau of Investigation dispatched a team of agents to Madrid to review the massive investigative file gathered by Spanish prosecutors on the al Qaeda terrorist network's European operations.

Then, in October, two investigators working for celebrated plaintiffs' lawyer Ronald L. Motley arrived in the Spanish capital and, with prosecutors' permission, used a high-speed scanner to copy the entire 40,000-page file onto CD-ROMs.

In half a dozen countries, Mr. Motley is on the trail of the FBI as he cranks up his latest courtroom assault: an immense lawsuit alleging that the Sept. 11 terrorists received funding and other assistance

from prominent members of Saudi Arabia's ruling family and an array of Saudi banks, businesses and charities.

The suit, filed in August in federal court in Washington, has become a political and diplomatic flashpoint, as a flamboyant attorney with vast resources presses a private international investigation seeking to connect prominent Saudis to terrorism. The possibility that Mr. Motley will make sensational revelations tracing terror money back to the desert kingdom has put an additional strain on U.S.-Saudi relations.



Ronald L. Motley

Diplomats from the world's largest oil supplier are lobbying the Bush administration to get the potentially embarrassing suit dismissed, American officials say. The administration has split internally over how to respond.

Some officials at the State Department want the suit squelched because it

Suing the Saudis

A lawsuit filed on behalf of families of Sept. 11 victims alleges that:

- **Members of Saudi royal family** facilitated transfer of money to Taliban and al Qaeda
- **Saudi banks** raised and distributed funds for al Qaeda.
- **Businesses in the kingdom** laundered funds sent to al Qaeda cells in Germany and Spain
- **Islamic charities** in Saudi Arabia and U.S. raised funds for terrorism

has offended a longtime ally just at the moment when the White House is seeking Saudi support for a possible war in Iraq. "This is not the time to jump up and down about Saudi Arabia," says a senior Bush aide.

The prospect of Mr. Motley's private investigators tripping over U.S. agents also worries some in Washington. "It's never a good thing to have multiple people chasing the same people we're after," says a Justice Department official involved in counterterrorism.

But other officials at both the Justice and Treasury Departments, as well as some members of Congress, favor leaving Mr. Motley alone. His investigators "may find out some stuff that the CIA and the FBI might not find out," says Republican Sen. Arlen Specter of Pennsylvania, who held a hearing last month on terror financing.

Best known for his legal campaigns against cigarette and asbestos companies, the Charleston, S.C., attorney has

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Tobacco Lawyer Takes On Saudis Over Sept. 11

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deployed 25 lawyers and paralegals in the Saudi suit, as well as additional investigators who are combing records and interviewing potential witnesses in Europe, the Middle East and Asia. In Spain, his operatives obtained access to official documents under an agreement forged with the federal judge overseeing the suit in Washington.

Taking 'a Hit'

While so far officially neutral about the suit, "the administration is going to take a hit one way or another," predicts a State Department official. "We're either going to take a hit domestically for killing it, or we're going to take a hit from the Saudis" if the suit moves forward.

Saudi Arabia itself isn't named as a defendant. Those who are named haven't responded yet in court. The Saudi Embassy in Washington has declined to comment on the overall suit beyond saying that the defendants will reply formally through legal channels. Last week, the Saudis defended their record on opposing terrorism and announced various steps they have taken to disrupt al Qaeda's money flow.

Fifteen of the 19 Sept. 11 hijackers were Saudi subjects. Tension between Washington and Riyadh has intensified as some lawmakers have asserted that the Saudis aren't doing enough to shut down terror financiers. Recent reports that charitable contributions from the wife of the Saudi ambassador to the U.S. inadvertently may have aided two of the hijackers have only exacerbated the situation.

The consternation in Washington doesn't trouble the 58-year-old Mr. Motley, who has made a lucrative speciality of mammoth legal fights. Drawn into the case by a mutual friend of a Sept. 11 victim's family, he says, "Congress knew what it was doing" when it empowered victims of terrorist attacks to go to court. "The fact that it complicates the life of some baggy-britches Foggy Bottom guy is not my concern."

Mr. Motley helped pioneer mass-injury suits in the 1980s that crippled a number of companies using asbestos. In the 1990s, he helped lead the legal attack that produced multibillion-dollar settlements with the tobacco industry.

Litigation consumes him, colleagues say. When he married a second time in the early 1990s, he and his bride, a lawyer from Texas he had known for two months, postponed their honeymoon to

try an asbestos case together. They won and celebrated in Paris, but the marriage lasted only six months.

Known to some fellow tobacco lawyers as "Hollywood," Mr. Motley lives on a grand scale. He has a \$5.8 million mansion on Kiawah Island, S.C., and keeps a 156-foot yacht nearby. He still sometimes wears a lucky pair of ostrich-skin boots he bought in Las Vegas in 1981, while celebrating an early asbestos win.

The fortune in legal fees he has amassed has allowed him to underwrite the audacious 297-page terror-funding suit. It seeks \$1 trillion in damages on behalf of 3,600 victims' families and survivors of the attacks. His clients have agreed to give Mr. Motley's firm, Ness Motley, 22% of any settlement and 30% of a recovery at trial. Several smaller suits have been filed in federal court in New York on behalf of other victims' families, repeating allegations in the Motley action. Some families are also suing airlines whose planes were hijacked or filing claims with the federal compensation fund for Sept. 11 victims.

The enormity of the case dwarfs anything Mr. Motley has attempted before. Among the 189 defendants are six members of the Saudi royal family, 10 Islamic charitable foundations, 11 international banks, dozens of businesses scattered around the globe and the Republic of Sudan, where Osama bin Laden created a network of corporations to finance al Qaeda. The suit alleges connections between the Saudi royal clan and Mr. bin Laden—by means of direct contact and

In Germany, Mr. Motley has received permission to review files in the criminal prosecution of an alleged member of the al Qaeda cell that included Mohamed Atta.

by contributions to Islamic charities alleged to sponsor terrorism.

Many of the allegations are stitched together from U.S. government reports, news accounts, past criminal indictments and investigative files that are already publicly available. Earlier investigations of al Qaeda's financial network have shown a complex web of businesses and charities cloaked in legitimacy. Proving a flow of money from Saudi hands to al Qaeda and then to the Sept. 11 hijackers will be a monumental task, and success is far from certain. In such complex suits that initially name numerous defendants, it is typical for some targets to be dropped long before trial.

But Mr. Motley's suit won't fail for lack of resources. Ness Motley leads a platoon of 17 other firms in seven states that are working on the case. He has pledged to spend as much as \$10 million of his own money on the effort.

Mobile Team

Mr. Motley personally supervises the sprawling suit, moving from Charleston to Washington to New York, usually in one of his firm's two jets. Five blocks from where the World Trade Center once stood, he and his retinue occupy as many as seven rooms at the swank Ritz Carlton Battery Park. One day recently, he was ensconced on the 12th floor, surrounded by a fax machine, a box of documents, a portable paper shredder and a half-dozen staff members, including a 345-pound bodyguard. Mr. Motley took calls on his cellphone while scribbling notes in the margins of a new book, "Inside 9-11: What Really Happened."

Prominent among the targets of his suit is the Saudi minister of defense and aviation, Sultan bin Abdulaziz al Saud. Since 1994, Prince Sultan has overseen financing of Islamic charities in Saudi Arabia. The suit alleges he has directly funded some charities himself and was aware that money from a number of them was diverted to al Qaeda. One such charity, the International Islamic Relief Organization, has received \$2.4 million from Prince Sultan since 1994, according to records cited in the suit. The group's offices in Virginia were raided by U.S. agents in March as part of a broader investigation of fund raising for terrorism.

Also named in the suit is Turki al Faisal al Saud, who headed the kingdom's secret service, the Istakhbarat, from 1971 until last year. According to the suit, Prince Turki met with Taliban leaders and bin Laden representatives in Kandahar, Afghanistan, in 1998 and brokered a nonaggression agreement: Saudi Arabia would provide money, trucks and other equipment to the Taliban in return for assurances that Mr. bin Laden wouldn't subvert the Saudi royal family.

Neither Prince Sultan nor Prince Turki could be reached for comment through the Saudi Embassy. Asked at a press conference last week about the allegations against Prince Turki, a Saudi spokesman said, "Nobody in Saudi Arabia thinks there is any merit" to the claims against the prince.

One senior Bush administration official says that the Motley suit identifies a problem that bothers many in Washington: "the Saudi pattern of buying domestic tranquility by paying off extremists to go after other people" outside of the kingdom. The question is whether this is best addressed by a private legal action beyond the control of politicians and policymakers, the official says.

The State Department has traditionally been leery of—and periodically opposes—private suits against foreign governments that American officials maintain could complicate relations with those governments. In these situations, U.S. courts often defer to the executive branch, even when plaintiffs may have a claim under a U.S. statute.

Indonesian Case

More recently, the State Department has invoked the war on terrorism when trying to get private suits thrown out. The Bush administration in July asked a federal judge in Washington to dismiss a suit against Exxon Mobil Corp. over atrocities allegedly committed by Indonesian troops guarding a company natural-gas facility in that country. The suit, filed by the non-profit International Labor Rights Fund, "would risk a potentially serious adverse impact on significant relations related directly to the ongoing struggle against terrorism," the administration argued. The U.S. has been prodding the country to move more aggressively against Islamic extremism in Southeast Asia.

A lawyer for Exxon Mobil says no one connected to the company participated in the alleged abuses or was aware of them. The judge's decision on whether to dismiss the suit is pending. Indonesia wasn't named as a defendant in the suit. A spokesman for the Indonesian Embassy in Washington says the country's security forces respect human rights but otherwise declines to comment.

Mr. Motley asserts that his suit has firm legal grounds. In the mid-1990s, Congress on two occasions expanded the rights of private citizens to sue those who aid international terrorism. The idea behind such provisions is to allow citizens to act as "private attorneys general," when the government itself can't or won't act aggressively enough. (The same concept underlies the right citizens have to sue over certain antitrust, securities and environmental violations.)

In June, the Seventh U.S. Circuit Court of Appeals in Chicago, interpreting the same laws invoked by the Motley suit, allowed the parents of an American teenager gunned down in Israel by two Palestinians in 1996 to sue two Islamic charities in the U.S. suspected of funding Hamas, the Palestinian terrorist group implicated in the killing. "The only way to imperil the flow of money and discourage the financing of terrorist acts is to impose liability on those who knowingly and intentionally supply the funds to the persons who commit the violent acts," the court ruled.

Mr. Motley got into the case in late 2001 when a mutual friend put him in touch with the parents of 38-year-old Tom Burnett Jr., one of the passengers on United Flight 93 thought to have fought with hijackers before the plane crashed near Shanksville, Pa. The Burnetts wanted to sue the financiers behind the attacks.

Mr. Motley had also lost a grown son, Mark, who two years ago died at the age of 28, after surgery to help control epileptic seizures. Unsure at first whether such a suit was possible, Mr. Motley asked a law partner to do some research. Then he took the case.

The Ness Motley firm, with 58 lawyers and 400 staff members, first made its mark nationally in the 1980s, by grouping together the claims of thousands of asbestos plaintiffs. These cases translated into huge damage awards and settlements, with Ness Motley collecting fees as high as 30% of the recoveries.

In the 1990s, Ness Motley laid out \$30 million to help represent more than two dozen states that sued the tobacco industry to recover the enormous public-health costs for treating sick smokers. Mr. Motley helped win settlements totaling \$34.7 billion in Mississippi, Florida and Texas before the industry in 1998 agreed to a \$206 billion national deal to be paid over 25 years. Ness Motley will rake in \$2 billion in fees over the same period.

Helpful Contacts

Mr. Motley, who says he has never been to the Middle East, has spent much of this year educating himself on terrorism. His friend, Democratic Sen. John Edwards of North Carolina, himself a former plaintiffs' lawyer and a member of the Senate Intelligence Committee, put him in touch with Jean-Charles Brisard, a French intelligence expert who wrote an influential report in 1997 linking Mr. bin Laden's network to Islamic charities. "The more I got involved in all of this, the more I read, the more I learned all roads lead to Saudi Arabia," Mr. Motley says.

He began meeting with victims and rounding up other lawyers. Allan Gerson, a former Justice Department prosecutor and counsel to U.N. Ambassador Jeanne Kirkpatrick during the Reagan Administration, signed on as a co-counsel last April. Mr. Gerson represented families of the 270 passengers killed in the Pan Am Flight 103 bombing over Lockerbie, Scotland, in 1988. In October, Libya agreed to pay the families \$2.7 billion, but the deal hinges on Libya admitting responsibility for the attack, which it hasn't done.

Motley minions are scouring evidence around the world. In Germany, he has obtained court permission to intervene in the criminal trial of Mounir el-Motassadeq, a 28-year-old student charged with aiding al Qaeda's Hamburg cell. The cell included Mohamed Atta, the suspected leader of the Sept. 11 hijackers, and it provided logistical and financial support to the hijackers. Germany allows crime victims to examine records in criminal cases and even to question witnesses. Late last month, Mr. Motley received access to more than 90 binders of German investigative files, including bank records and wire-transfer receipts relating to Saudi Arabia.

Spanish Allegations

In Spain, Mr. Motley says one of the leads that most fascinates him concerns Mohamed Galeb Kaljae Zouaydi, a 41-year-old Syrian-born businessman with alleged links to members of the Saudi royal family and suspected planners of the Sept. 11 attack. Mr. Zouaydi is awaiting trial in Madrid on charges of tax fraud and terrorist involvement. Between 1996 and 2000, he worked in Jeddah as an accountant for Prince Abdullah al Faisal, a former Saudi minister of health, according to the Spanish documents.

Spanish prosecutors allege that while working for Prince Faisal, Mr. Zouaydi funneled money from other wealthy Saudis through several dummy companies he set up in Spain to two al Qaeda suspects now under arrest in Germany. Those two are accused by German authorities of maintaining bank accounts for the lead hijacker, Mr. Atta, and other members of the Hamburg al Qaeda cell. Mr. Zouaydi's attorney in Madrid says, "There are absolutely no grounds for the prosecutors' allegations."

Another possible link to the royal family that Mr. Motley is investigating is Mr. Zouaydi's relationship with Abdullah bin Abdul Muhsen al Turki, the Saudi minister of Islamic affairs until 2000 and an adviser to the country's ailing King Fahd. Mr. al Turki was also secretary general of the Muslim World League, a charity that U.S. investigators believe is a front for terrorist financing.

Mr. Motley says he also has reviewed Spanish documents showing that Mr. al Turki was a shareholder in a real estate and construction business in Madrid that Mr. Zouaydi helped start with another man accused by Spanish authorities of being an al Qaeda financier. When Spanish police in April searched the Madrid home of the co-founder of the business, they say they found videotapes of the man inside the World Trade Center and exterior shots of the upper floors he is believed to have taken during a visit in 1997. Investigators also found videotape of the Empire State Building, the Golden Gate Bridge, Disneyland, Universal Studios and the Sears Tower in Chicago.

The evidence, while circumstantial, would impress an American jury, Mr. Motley says. "These are not the ravings of a redneck from South Carolina," he adds. "We've got proof."

—David Crawford and Keith Johnson
contributed to this article.