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PRIVATE GULF DONORS AND EXTREMIST REBELS IN SYRIA

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P R O C E E D I N G S

MR. McCANTS: All right. Welcome everyone to today's panel, on private Gulf donors and extremist rebels in Syria. I'm William McCants, I direct the Brookings Project on U.S. Relations with the Islamic World. I'll be moderating today's panel.

To my left is Elizabeth Dickinson, who is a Gulf correspondent for *The National* newspaper based in Abu Dhabi. She's the author of the new Brookings paper, "Playing with Fire, Why Private Gulf Financing for Syria's Extremist Rebels Risks Igniting Sectarian Conflict at Home."

To her left is Kristin Diwan, who is an assistant professor of comparative and regional studies at the American University School of International Service. She's also a non-resident fellow -- senior fellow at the Atlantic Council's Hariri Center.

And to her left is Tom Keatinge, who is a former managing director for J.P. Morgan and an itinerant scholar of counter-threat financing.

Beth, I want to start with you. When I began to look at this issue back in 2012, I didn't start looking at foreign financing for extremist groups in Syria, I was mainly focused on the groups in Syria, particular one of the largest Salafi groups, Ahrar al-Sham.

And Ahrar al-Sham is one of the more vocal groups online. They put a lot of material out on Facebook and on Twitter, and I noticed several times they would give very public shout-outs to individuals in the Gulf, and thanking them for money and materiel that they were sending to the group in Syria. So I

began to look around trying to find more information.

There was not a lot in the English Language Press, and you really had to follow this stuff in Arabic, on social media. Yours was the only article I found, and this was back, I think in early 2013, when the first mentions of this kind of fundraising going on in the Gulf.

And for that reason, that's why Marc Lynch and I collaborated to send you over to Kuwait to do some on-the-ground, honest-to-God fieldwork to figure out what these funding networks are like. How did the Kuwaiti fundraising network for Syria, how did it first get on radar, and why did you pursue it?

MS. DICKINSON: Well, I think we had a similar experience. Watching, sort of, social media surrounding the Syrian conflict, you would see occasionally -- particularly beginning in the summer of 2012, a lot of mention of Kuwait, but there was no clear connection, and no one has, sort of, put the pieces together. So I started hearing this more and more, and decided that, you know, as someone who was tasked with following Kuwait, it would be worth following-up.

So it took about the first six months for me to piece together the social networks, and then, as you said, in early 2013 we were really able to pretty definitively say that Kuwait had emerged as the funding hub for the Syrian rebels. And I had a very, particularly striking, first interaction with one of the donors, who I met with that really gave me sort of an insight into sort of the mentality and how this all began.

The first time I sat down with one of the donors himself, I was, of

course, very concerned that he was not going to admit to me what he was doing, so I concocted a very elaborate strategy to extract the information from him. And I had my interview set, you know, and these are questions I'm going to ask. But he threw me very broad soft ball, you know, I hear you're interested in Syria. And he said, oh yeah, oh, year, come over here I'll show you on my iPhone.

He pulls out his iPhone, and he scrolls through, and he's, oh, yeah, last week I was in Aleppo giving these arms that you see in this picture (laughter) to these guys. Yeah, and you know he's -- so this is the attitude that you very quickly uncover when you begin to start digging into these networks. These are individuals who really believe in what they're doing, and have really gone sort of all in, in supporting these opposition groups.

MR. McCANTS: Why did the funding -- the fundraising get started in Kuwait, and in other Gulf countries, but particularly in Kuwait, why did it get started?

MS. DICKINSON: Well this is a -- I think a really important story. You know, we've been able now -- we've established that it’s going on to go backwards in time, and figure out how it did begin. And like the Syrian Uprising, itself, the Kuwaiti involvement began out of a hope that something could -- positive could happen in Syria.

And so, beginning in the summer of 2011, so long before it was militarized at all, a lot of Syrian expats living in Kuwait and elsewhere in the Gulf, where there's a very large Syrian Diaspora, they began raising their own personal funds to send back into Syria.

At some point these Syrian donors -- these Syrian expats in Kuwait began to communicate with one another and form a group of people who would then go around and pool their money, and pool their efforts. At some point a decision was made to reach out to the Kuwaitis, who had access to far larger amounts of money, far more important businessmen in Kuwait. They had sort of a network of people who had been giving to these causes in the past.

So they tapped into that network, and this fusion of Syrian expatriate involvement and Kuwaiti donors was really what started the movement forward into funding the rebels on a large scale.

MR. McCANTS: And that was 2012?

MS. DICKINSON: Yeah. So this began in -- actually in the fall of 2011, so very early. At some point during those meetings between the Kuwaitis and the Syrians, a decision was made to begin partitioning the money between humanitarian relief and armed sort of -- lethal aid, if we can say. And at this point, something very critical happened and that decision was that the Kuwaiti donors themselves said, we want an armed uprising. And the way that one Syrian expat described it to me, was they said to him, you know, we want to shorten the duration of your suffering, to do that we need to have armed groups.

So, I'm certainly not trying to suggest that the reason the Syrian conflict is armed is because of Kuwait, but I do think that it was a very significant factor in forming some of the early brigades. So some of the donors would actually bring groups together and arm them in a very particular way.

MR. McCANTS: Hmm? And what's the ideological flavor of the

people doing the fundraising? Is it a mix of secularists and ultra-conservative Salafis?

MS. DICKINSON: We've seen a very interesting wave in the ideology of people who are involved. So, at the beginning, Syria was a cause that really invigorated people across the spectrum. So you saw donors, you know, from the sort of secular -- secular, maybe not, but sort of very mild Islamist all the way to the Salafis were involved. And, you know, the popularity of the funding was just gaining and gaining.

Then as the conflict itself became more complicated you had a huge drop off in, sort of, the public support, the sort of broad base, and it really whittled down to just the true believer types. The sort of real extremes of the spectrum that were very interested in an ideological sectarian agenda for the conflict.

MR. McCANTS: And why was it Kuwait in particular that emerged as a hub for this kind of fundraising?

MS. DICKINSON: Well Kuwait is sort of the -- had sort of the perfect storm of conditions among countries in the Gulf. So, the first and very obvious way that Kuwait is very different from the rest of the Gulf, is that it's sort of -- it's the most democratic country in the Gulf, which is something actually very beautiful about Kuwait.

You go to Kuwait and you can talk about politics in a way that you can't in Saudi Arabia or in the UAE. Political parties, political groups are legal, freedom of association, all sorts of -- sort of political activity that we would

recognize, NGOs, that's all legal there in a way that it's not in the Gulf. So that was sort of -- that's sort of the initial condition.

The second component of that was a very, very weak Counter-Terrorism Financing Law, passed in 2002, that failed to criminalize counter-terrorist finance. Which meant that if someone was caught just sending -- let's say, you know, someone was, in the most extreme case, caught sending $1,000 to al Qaeda, the Kuwaiti Government had no tools in their toolbox to go after that person.

So, given that, Kuwait really emerged as, a sort of a place in the Gulf where people knew that this could happen in an easy way. I think something that I've grown to, sort of, really more understand as I've become more, you know, deeper involved in researching this, is that the networks that have existed in Kuwait -- that exist in Kuwait for this financing on Syria, have likely existed for a decade or longer before Syria.

We now have access to them because a lot of these people have chosen to broadcast their fundraising on social media in a very public, that allows us to, literally, map out the social networks of these groups. But it's very clear that these guys have been operating for a very long time.

So I'll give you a very brief example. One of the -- in the early days of the conflict one of the reasons that a particular Syrian expat told me he approached a particular donor, was that he had a reputation of being a very effective Jihadi funder, and he knew that this man had been involved in the past, and that his reputation was very widely known among a particular ideological

circle.

MR. McCANTS: I notice, when I look on Twitter and follow the hash tags for the funding, that a lot of the people responding to the pleas for funding are not necessarily in Kuwait, a lot them are from the surrounding Gulf countries. Why is it the case that a lot of Gulfies, say, from Qatar, or from Saudi Arabia, are finding it more convenient or necessary to send money to these bundlers in Kuwait rather than some local fundraiser?

MS. DICKINSON: Yeah. Well, for all the reasons that I mentioned, you know, Kuwait is just a place where you can operate and sort of not get caught. And so, for other Gulf citizens it's very much more difficult. So, for example, in Saudi Arabia, there's been a very proactive campaign to discourage Sheikhs, Clerics from raising money for the Syrian conflict. And there have been a few Sheikhs in particular that have been -- called to the Interior Ministry and told, hey, like, stop doing what you're doing. You know, sort of chastened and then stopped.

But what doesn't raise the same red flags is the transfer from Qatar to Kuwait. So at the beginning of the financing in 2012, it was to the extent that there were accounts in Saudi Arabia that would regularly wire, let's say, on a weekly basis, to an account in Kuwait, that was sort of the clearinghouse, and that money would then be moved into Syria. Because given the business and familial ties between the other Gulf countries and Kuwait, that simply didn't raise a red flag at all.

MR. McCANTS: So how much money are we talking about? Is

this like a couple hundred dollars, thousands of dollars, hundreds of thousands of dollars?

MS. DICKINSON: Well, I have another sort of surprised moment in researching when I was talking to another donor who had gathered in his diwaniya, which is basically like a public gathering space where people can come in and out on weeknight evenings to talk politics. And, you know, I'm discussing the fundraiser that he had with him, and you know, at one point I'm like, oh, well, you know, do you remember how much it was? You know, was it a couple thousand KD, you know, how much was it? And he's like, oh, yeah. I remember perfectly, it was $300,000, in one night, you know. And it's like -- that's a huge amount of money. But what scared me more, is I asked him afterwards, oh, where did the money go? He said, oh, I have no idea. So, to answer your question, how much money is being raised? This is guesswork; I don't have bank statements to show you, because despite the fact that Kuwait, you know, has a very lax legal regime, people are hiding their transactions. And one of the main reasons for that is fear of the Syrian regime, who is thought to have very good contacts in a lot of the exchange houses in Syria.

So, a lot of the transfers from Kuwait would be partitioned into, you know, hundreds or more parts, and moved through Syria in very strange ways to try to evade these Syrian regime contacts. But based on, sort of, a number of individual events that I have -- that I know have taken place, and people who have told me how much money was raised, I would estimate that it's hundreds of millions of dollars that has gone to the rebels.

MR. McCANTS: Yeah. And there was a *Washington Post* article by Joby Warrick, saying he had talked to a U.S. intel official, anonymously, and he had also quoted the same kind of figure. So, can you give us a sense for -- the mechanics of how this money is raised? Like, is somebody going door-to-door, and asking for donations? Are folks just writing a check to some anonymous address? I mean, how is the money actually being gathered?

MS. DICKINSON: Yeah. So the way that I like to think about it is, the solicitation for the money is public, but the way that the money is collected is often very, very private and very close, and sometimes even in person, in cash or very specific, sort of, controlled ways. So, the way that the campaigns are solicited, is very similar to something that all of us would recognize as, a good NGO campaign.

So, let's say, you know, you want to support one Mujahedeen that costs you $7,500. So these earmarks are a very effective way to give people a clear idea of what exactly they're buying with their donations.

So, another great example was an $800 RPG. So, these sort of benchmarks, they would be on posters, they are on signage. Twitter accounts that are sort of very well known, and have hundreds of thousands, if not more than a million followers. There are signs posted physically in Kuwait, so you can go, for example, to some of the neighborhoods that are known to be more sympathetic to the Salafist groups, and they will have huge banners that say, you know, come to this event and give for these reasons.

So that’s the sort of solicitation level. At the collection level, it's

happened in a number of ways. Particularly at the beginning there were bank-to-bank transfers. Those have become less common now, but at the beginning you would see, even on Twitter accounts, you know, X-Twitter account would say, give to the Syrian people, here's the bank information. You know, and there will be a screen shot right there, of the account information, the routing number. You know -- the amount of -- the currencies that were accepted.

I mean, it was like, really transparent. It's gotten less so, but they'll use, you know, instead of doing that, now they'll say, you know, here's an Instant Message account. If you send a message to this server on your Blackberry, you know, they'll send back the account information.

MR. McCANTS: Yeah?

MS. DICKINSON: Yeah. Okay. So then a final level of collection of the money is simply in person. So if you're in Kuwait that's easy, right. You can hold an event and, you know, put a box in the middle and everyone will give. If it's overseas, and you're afraid to make a bank donation, there are lots of examples I've heard of individuals from the Gulf, getting on an airplane with a suitcase, and showing up in Kuwait, and visiting the donor himself.

And this is fairly easy to do. If you've been to the Kuwait airport, I don't think anyone will stop you with a suitcase full of cash. It's just -- it won't happen, so this is, I think, increasingly frequent as people are becoming nervous about being caught doing it.

MR. McCANTS: And in these fundraising appeals, are distinctions being made about the various kinds of aid that they are appealing for? Do they

make just appeals for humanitarian aid, and it gets repurposed? Or is it just a call for zakat donation and then the person that's raising the money will do with it as they see fit?

MS. DICKINSON: Well this is one of the big complications in -- I think, in thinking about, I guess, tackling this big question, of whether this is an issue is, a lot of the advertising uses all the forms of what's considered zakat, so charity basically. So, it's for the orphans, for the widows, to feed the hungry, to help the needy and for jihad.

So, to separate these things is very complicated. So, for example, there, I spoke with one donor who spends a lot of his time building hospitals. But he does that specifically working with one particular brigade. So, what is that aid? Is it humanitarian? Is it partisan? But, you know, is it still non-lethal? He works with armed fighters so, you know, where does that put him in terms of, you know, lethal assistance?

You know, I don't know how to answer that question, but the -- I mean the answer to your question is that it's very, very much intertwined.

MR. McCANTS: Right. And so many of the people giving contributions, feel like it's a zakat contribution, and they are allowing the bundler to do with it what they think is necessary?

MS. DICKINSON: Absolutely. Yeah. And I should put the final caveat, that there are -- some of the registered charities in Kuwait, are some of the more competent and extremely effective charities in the Arab world, so these registered charities are not what I'm talking about. And that's a very important

distinction, because Kuwait is the single largest humanitarian donor in the Arab world to the Syrian conflict. And without their contribution it would be -- I mean, the U.N. would really be in trouble.

So I do want to make that distinction. That what individuals and sort of makeshift foundations are doing is not, sort of, the officially registered NGOs, with one exception, that I know of, but otherwise I don't know of any crossover. Yeah.

MR. McCANTS: So the flavor of the fund, current fundraising seems to be -- for the private donors seems to be very much the ultra-conservative Sunnis. Was there ever a time, say, in 2012, where you had the more moderate elements of Kuwaiti society that were raising money in Kuwait to send to more moderate elements in Syria?

MS. DICKINSON: Absolutely. And particularly at the peak of the funding in 2012, it really was a broad base of people. What's really, then, alarming to watch over the last year as I followed this, is those people who were involved in the more moderate elements have backed away, partly because they are disillusioned, because they haven't been able to, sort of, effect a change. But also because they're scared of what's happening in terms of the more extreme elements.

And they are very nervous about some of the more extreme elements actually targeting them. So this is sort of mirrored to what's happening on the ground in Syria where you now have infighting between rebel groups. Between, sort of, more extreme and more moderate rebel forces. So this is very

much happening in the donor community as well, where there's a lot of concern that the more moderate donors are going to be somehow targeted or, you know, sort of isolated socially.

MR. McCANTS: At home in Kuwait?

MS. DICKINSON: In Kuwait, yes. Yeah.

MR. McCANTS: So, you talked about how the money is gathered in Kuwait. How is the money moved into Syria? Because I get the sense it's not quite -- or often, not quite as simple as just making a wire transfer.

MS. DICKINSON: Yeah. This part is a little bit harder to sort of pin down on, but we do have some clues about how it probably is happening. It is probably -- some of it is probably moving through exchange houses. So, you know, the place where you would go to change your dollars into, you know, Kuwaiti or Bahraini currency. These same places, you can actually make a deposit there and then clear that deposit in Syria. So this is one way to do it.

And those -- if it's there it's going to be partitioned into lots of different accounts on the Syrian side, so you would have maybe 100 recipients. There is increasing amounts of cash, I think, moving, particularly through Turkey. So sometime in early 2013, Turkey was added as an additional step, so the money could no longer go directly from Kuwait to Syria, it had to sort of stop in Turkey, where it could go over the border.

A final way that we think it's moving is through traditional money lenders called hawala agents that are very common across the Gulf. These are based -- basically -- I'm hoping my colleague, Tom, can give you a more

coherent explanation. But hawala agents are basically a means -- a Western Union where no cash actually changes -- crosses the border physically.

So, basically, you know, I will run up a tab -- if I'm a hawala agent in Dubai, I would run up a tab of how much I've sent to Syria. The hawala agent in Syria will run up a tab of how much he owes or has received from the same hawala agents, and then based on transfers back and forth, they will equal out. If there's ever a lack of -- you know, of funds on one side, then a briefcase of cash moves across the border. But that's the basic system.

MR. McCANTS: I want to talk now about the effect that this has had on the insurgency in Syria, it seems to me, having watched the conflict begin in a much more -- had a much more pluralistic tone in the beginning and it has become much more sectarian now. My sense, one of the things that seem to have been driving that, was the perception that the world had abandoned the Sunni Muslim community, to the whims of the Assad regime; and that this really fueled a lot of the Sunni activism in the Gulf to raise this money. Would you agree with that? And what effect has it had on the insurgency?

MS. DICKINSON: Yeah. I agree with that completely. I mean, I think one of the main sort of motivating cries for, you know, funds that you hear, is sort of, oh, Syria, everyone else has abandoned you, but Kuwait will not. And so these sorts of, you know -- these sorts of -- appeals to sort of the forgotten-ness of the conflict.

But the Kuwaiti donors have also exacerbated to splitting the rebels in other ways. And I'll give you one specific example, where feuding

between two main -- two donors actually contributed to the fracturing of the rebels on the ground. So a dispute between two men, outside of Syria had -- one of them was a Kuwaiti donor, and the other one was a donor in a cleric in Syria, so two clerics.

They had a very high-profile argument on Twitter about whether rebel groups should join the Military Council. So these are the, sort of, Western-backed groups that were being tried to -- that the official opposition was trying to create in 2012.

The Kuwaiti clerics said no way -- no way are we are working with the West. This is, you know -- this is not something we believe in. The Saudi clerics said, yes, we should this. Unity is a good thing. You know, so they had this very high-profile clash. The effect that that had is that the rebel brigades of the two men couldn't work together, because their donors basically said, uh-uh, not working with that guy. So, this was a huge split, you know, between -- and they were major rebel brigades.

One was Ahrar al-Sham and the other was Jaysh al-Islam. Okay. So they had sort of a dispute between them, and it was largely in part because of this feud that the donors themselves had. There's also been a large -- a degree of ideological adaptation by the Syrian Brigades receiving the Gulf funds. And now that's sort of become a self-fulfilling prophesy.

So, at the beginning it was like, if this guy in Kuwait wants me to act a certain way to get money, I mean, like fine, I'll do it, you know, like -

MR. McCANTS: Grow the beard.

MS. DICKINSON: Exactly. You know, we'll make the video, fine. But I think, exactly as you mentioned, as the conflict has gotten so much more difficult, the humanitarian toll has gotten so much worse. Some of those ideologies have -- begin to sort of take hold, and really stick, in the sense that, it's so hard to grapple with what's happening to my community. If I can reach out -- you know, if I have this explanation that it's some sort of divine fight that I'm, you know, fighting, it makes it a little bit easier to sort of -- to settle. And of course going along with that, there's been very active ideological propagation.

You know, from Kuwait into Syria, and then within Syria, within each brigade. A lot of the brigades have specific units that are particularly intended to sort of codify their particular beliefs.

MR. McCANTS: Yeah. And it's also the case that the money can be quite attractive, right, because there's not a lot of strings attached to this money. There isn't a congress that’s breathing down the neck of these private donors. The money is just being delivered in suitcases, or in garbage bags, and it's very attractive particularly when the same kind of money is not coming from other allies of the Syrian Opposition.

MS. DICKINSON: It's not only attractive; it's the only game in town.

MR. McCANTS: Yeah.

MS. DICKINSON: I mean these are -- for a very long time this was the only way to get funding. And, you know, there were -- there are lots of rumors about, you know, which Gulf States are backing which Gulf militaries, but

we know that this is happening, the private donors. And, you know, from everything that I know about the Gulf States themselves, it's been very much on-off. You know, so the tap is on, the tap is off, the tap is on, the tap is off.

The private donors have not stopped, and when you're building a military force, what you need is consistency, and so these guys have been absolutely, you know, elemental in building these groups.

MR. McCANTS: Right. So your paper that you wrote is very much about the Sunni fundraisers in Kuwait, and sending money, primarily because they are the most public about it. But the Shi'a private citizens in the Gulf are also raising money too, and I know it wasn’t the subject of your paper, but I wonder if you caught a glimpse of any of it, and what your thoughts are about it.

MS. DICKINSON: Yeah. Well this is, I think, something that really needs to be further investigated and I'd like to, in the future is -- I kept hearing when I would go to Kuwait, you know, it's not just the Sunnis, it's also Shi'as that are raising money, and I could never find any evidence of it, but on this last trip I did find evidence. And I found a number of videos such that I do believe that it is going on, and I believe it's a -- it could be a significant amount of money.

Basically, the Shi'a community in Kuwait is fairly small and it's -- I don’t want to say it's particularly insular, but it's an extremely strong community. So I believe the way that the fundraising is probably happening in the Shi'a side is much more private. You know, gatherings in homes, personal connections. One businessman will, you know, call his friends and say, hey, you know, brother

we need to do this to support, you know, our brothers in Syria.

So, much sort of quieter, but it's notable that a number of the most prominent businessmen in Kuwait who are Shi'a, also have very significant foreign investment in Syria. So they have both a personal stake and a business stake in sort of the maintenance of the status quo which is -- you know, it goes a long way to, sort of, explaining at least some of the cash flows that are -- that I believe are moving.

This funding, at least what I have so far sort of tapped into, like the Sunni side, and I want to stress this, is sort of equally sectarian in nature in its rhetoric. And I don’t think that either side is an angel here. Both sides are employing rhetoric that is truly despicable, and is really demeaning to other people that live in their own country.

MR. McCANTS: Right. And that’s the final question I want to ask you, before I turn to Kristin, is, what risk is there to Gulf societies, and particularly to Kuwait, of allowing this kind of sectarian activism, even though it's being aimed abroad, what risk is there at home?

MS. DICKINSON: I think it's a great risk. I think it would be very naïve of -- to think that something that’s happening so close to home, that people are so actively involved in can really be kept out of Kuwait's borders. And I don’t think it will come in, you know, ways that we would recognize as armed conflict, certainly, but I do think that there is a growing tension between the communities in Kuwait, and so, you know, people that I will speak to from the Shi'a community, will say, you know, we are so scared. We are very scared at what's going to

happen to us. We are scared of retribution.

People on the Sunni side will, you know, say, sort of similar things, you know, that the Shi'as are, you know, supporting Hezbollah against us. They're going to come and, you know, attack us. This kind of rhetoric is very strange to hear in Kuwait which is an extremely diverse and -- it's a very messy society, certainly, like every society is but, you know, you didn't hear these sort of direct conflicts in the past, and I do think that they've been exacerbated by people's involvement.

MR. McCANTS: Okay. Thank you very much. Kristin, can you help give us a sense of the political and the social context for this kind of fundraising, and why is it happening now? Is it different than the kind of sectarian activism you might have seen in the '90s or the 2000s?

MS. DIWAN: Sure. First, I'd just like to say, I mean, I really enjoyed reading Elizabeth's work. I enjoy reading all of her work, and this report was really exceptional, and a lot of things that I'll be doing, will really just be providing context or amplifying things that she said, because she covered a lot of ground in her report.

And one thing I think is worth, again, just sort of amplifying off what she said, is that Kuwait has really historically served as a main center for fundraising for Islamist movements. I mean, that's been there for a long time, and the reason it's been there is for a couple of reasons. One, Kuwait is really rich. And not only that it's rich, but it's been rich for a long time, so that Kuwaitis have a lot of wealth.

And, of course, the first rule of fundraising is you go where the money is. In addition to being really wealthy though, Kuwait also has, as Elizabeth started talking about, this really long history of civic activism. Definitely the political space to do that, that goes way back into the 1930s when Kuwait was the first state in the Gulf to have an elected parliament.

Later when the state achieved its independence, the civil society was strong enough that they were able to work with the ruling family, to put forth the constituent assembly that created a constitution that allowed then for a really strong parliament. I mean a parliament that I think actually does have an impact, this isn't just like a fake parliament, it can really affect things.

And all of that means that there's a lot of space then, for organization, and you've had Islamic movements then, organizing in Kuwait for a very long time. I mean the Muslim Brotherhood came back in Kuwait way back in the 1950s. It was already creating social reform societies. Salafi movements also came very early to Kuwait, and they started forming charities, you know, very early, and extensive networks of charities.

I mean, I was really impressed when I was in Kuwait in the late 1990s early 2000s, just the pervasiveness of collecting money at that time. I mean, any store that you went into would have a little booth where you could collect money. There were kiosks in the street, collecting money for different causes, and I'll never remember -- never forget seeing this one Salafi, really important Salafi society having this huge sign written in blood across the top of a thing reading, Chechnya. So they were collecting, at the time, money for

Chechnya, and it was this really impressive, bloody sign.

So, not only have they had these charities, but they've had charities that are extremely networked internationally that are, as Elizabeth said, have been collecting money, both for charitable purposes, for humanitarian purposes. And also this experience, both in Afghanistan, then in Chechnya, and in Bosnia, in collecting money, as well for more militant causes.

I think what really struck me when I read Elizabeth's report, and thought it more though, is that when you really look at who is giving money, and she kind of hit on this, and especially the ones that are funding the jihadists in Syria, it isn't so much the main presence, the ones that you would think of initially.

Like I know the names of all the Muslim Brotherhood charities in Kuwait, they are not the ones that are giving the money, I think they're giving, maybe, some humanitarian aid, but they're not the ones doing this thing. Even some of the main Salafi ones weren't showing up so prominently. So I think what's really fascinating to look at, is that one of the big changes we see here, is this big structural change that's happening across the region, that I think comes a lot from new media really, and the empowerment that individuals get from things like Twitter.

So that you have, basically, individuals that are just able -- that are well respected Sheikhs that maybe have a presence, that have been talking about international causes, a lot of this goes back, especially the sectarian issue, goes back to Iraq as well. Starting with Iraq, I think a lot of the sectarian

language came in with dissatisfaction with how things have changed in Iraq, and much of the Sunni community, of course.

And just the -- now ability of those individuals to reach out and to collect money on their own that way, and I think that's -- will be the main thing that I see that's really different. Is that it's not actually coming from the big institutions so much, but from private individuals that have been able to find their own audience, and to find support through these new mechanisms.

MR. McCANTS: So, Elizabeth had mentioned in her report that a lot of the fundraising right now is taking place among the Salafi community. And I wonder if you might take a few minutes to just talk about shape of the Salafi community in Kuwait. And the fact that it -- a number of its members are in parliament, and have a particularly strong voice in opposition to the Royal family, and how that might complicate the government's efforts to rein in the sort of fundraising.

MS. DIWAN: Right. Well the Salafi movement is very strong in Kuwait. It's very deep and it's very internationally connected. There's always been a very deep relationship between the Salafi movements in Kuwait and in Saudi Arabia. I mean, so that if you had -- in fact, at certain times very influential Sheikhs that were in Saudi Arabia, that had trouble with the Saudi Government, sometimes they would come to Kuwait then, and set up in Kuwait.

And you had this long flow of both people, and of ideas flowing across the Gulf, and particularly Kuwait being very strong -- as a center for that. Again, because it was more open and provided a kind of place of refuge for

people who were having political trouble elsewhere. What this means is that, I mean, Kuwait has kind of all the different versions of Salafism that you would find, you know, anywhere throughout the Arab world and even beyond.

So you have Salafi movements that would be, sort of, pro-monarchy, pro-Saudi monarchy even, very close to the Saudi monarchy and related to movements that are like that. You have oppositional movements. You have new movements that are trying to fuse Salafism with some ideas of Democracy, so all of these different elements are present. At the same time, because of the presence of the parliaments, you do have Salafi movements that have been able to enter the parliament and get a strong presence there.

You also have a lot of sympathy for Salafi movements amongst, sort of, the more tribal areas of Kuwait, which have been growing in influence. And they are able to use their presence in the parliament for putting pressure on the ruling family. Again, what I thought was interesting though, is if you look at the names of people that have been most significant in the fundraising for Syria, these are not people that I have run across in looking at politics in Kuwait. They are not people that are showing up in the Kuwaiti Parliament, or even speaking a lot about domestic Kuwaiti politics.

I mean, I've been watching a lot of the oppositional politics in the Arab spring; these are not people that have come up. So I think there's also a little bit of a difference between some of the Salafi movements that are much more active, are movements that are very engaged on international issues, or kind of independent religious Sheikhs. And also that -- or maybe more working

on the sectarian issues, actually, and looking at Iran and these kinds of things, and looking at that -- those sorts of issues rather than playing the domestic Kuwaiti politics.

MR. McCANTS: Can you talk a little bit about Beth's point that she makes in the paper, and the reason why she titled it "Playing with Fire"? That this kind of sectarian activism abroad risks stirring up a lot of sectarian tension at home? Do you think that's true? And do you think it's happening, or will happen soon as a result of it?

MS. DIWAN: Yeah. It's certainly happening, and as I mentioned I think it started even before this -- it started happening, I mean, a lot of the language coming, concerns started happening after the Iraq War. And you had, actually, a lot of Sunnis that came to Qatar, and came to Kuwait at the time, that were displaced in the sectarian conflict that happened in Iraq, and I think they had a lot of influence, actually, in importing sort of this more sectarian view.

Because as you said, Kuwait, I mean, has a very open politics, there's always been some tension between communities. It's political competition amongst the communities, but at the same time you had even political blocs in the parliament that were made up of Sunnis and Shi'a. And just to give one example of that, this bloc that was made up of Sunni and Shi'a actually broke down in the middle of these issues over the role of - escalation of what was happening in Iraq, and then also in Lebanon over Hezbollah. When some of the parliamentarians showed their support for them, and then the bloc couldn't hold together anymore.

Which I think tells you something about how these sectarian politics of the region are becoming much more prominent in Kuwait. Syria, of course, takes that to a much higher level, I mean, because now you actually have -- I mean, conflicts, especially with Hezbollah entering into the conflict, where everyone actually has their own players in there.

And a lot of the fears that were built up from the Iraq War, from these other things about -- for Shi'a, looking at the rise of Salafi, the rise of Salafi rhetoric, what that would mean for them as a minority in Kuwait. But from the Sunni side, looking at, wow, we have Iran, becoming a much more stronger power in the Gulf. They have their own actors. Look at Hezbollah, how they are able now to act into another foreign setting.

I mean, I think it's just as Elizabeth talked about, these kinds of fears on both sides are really coming together. And I think the problem in Kuwait is that it's -- I mean you -- you know, it's one thing that a lot of people like about Kuwait is the politics are much more open. But at the same time, it's sort of allows the space for that much more sectarian rhetoric, and competitive politics to come out in the open.

MR. McCANTS: Okay. Thank you. Tom, I want to turn to you now and talk about Kuwait's counter-threat financing laws. One of the points that Beth makes up in -- points out in her paper, is that Kuwait became attractive as a hub for this kind of private fundraising because its laws are particularly lax. Can you talk about that? Can you put Kuwait's laws in the context of the Gulf and in the region? Are they particularly lax?

MR. KEATINGE: Sure. Okay. I'd just like to start by adding my congratulations to Beth on the paper. So, I think to answer that question, you need to go back to 1989, and I won't take too long to get from 1989 to the present day. But in 1989 the Financial Action Task Force that Beth referred to, was set up, and initially it was set up to counter money laundering as a function of the narcotics trade, primarily the narcotics trade from Latin America.

Fast forward to 9/11, and in fact one of the things which is often overlooked is the first shot in the global war on terror that was fired by the then administration, was a financial shot. The Executive Order 13224, which basically put in place the option for the U.S. to sanction organizations that were deemed to be financing terrorist organizations.

At the same time, the ball was thrown to FATF, and they were told, you need to come up with an addition to your money laundering regulations and guidelines that addresses terrorist financing. So from that moment on, various -- the countries around the world were monitored and audited by FATF and other organizations like the IMF, to determine the extent to which their implementation of these recommendations, so called, nine special recommendations, were appropriate and they were doing their utmost to counter terrorist financing.

And these mutual evaluations are conducted on a regular basis. The most recent mutual evaluation of Kuwait was done in 2010, and in the context of a peer analysis it's fair to say that Kuwait did not -- was not doing a good job. And if you look at the WikiLeaks cables from around that time, you can

see that the U.S. administration was clearly very frustrated by the lack of progress that Kuwait was making.

And the report at that time highlighted, what they called, many shortcomings with the legal and the law enforcement framework for countering terrorist finance. Poor level of preventative measures, et cetera, et cetera, et cetera. And from a quantitative perspective, they were at that time, 49 different elements that FATF reviewed countries on. And they fall into four categories, and 37 of the 49 categories were rated noncompliant or only partially compliant by FATF. So that's 75 percent failure rate, that's a --

MR. McCANTS: How does compare with the other Gulf countries?

MR. KEATINGE: So, during the period 9/11 and 2010, the other Gulf countries made a terrific effort to make up the ground that was felt should be made up, and if you look at the noncompliant and high-risk jurisdictions list which FATF published in October this year, Kuwait is notable for still being on the list, and it's in some company which it probably wouldn't want to be in with. Cambodia, Laos, places like that.

Now, in 2012, Kuwait made a concerted effort to try and make up for these deficiencies, and there is now the law that Beth referred to. They are setting up a Financial Intelligence Unit, but this is all stuff that other countries did many, many years ago. And I think there's still some frustration that these issues haven't yet been addressed, and even if laws are put in place, and it's announced that things will happen, whether there's actually enforcement, and

whether the rules and the laws are used to deal with -- elicit finance. And indeed whether you can use them, because is what is being conducted at the moment in Kuwait actually elicit finance, is it actually terrorist finance?

Whether those are actually used or not, is an entirely different matter, and we've obviously talked about the way in which politics works in Kuwait which you may not favor implementing and enforcing those regulations.

MR. McCANTS: Yeah. That was my question, is that a lot -- it seems to me a lot of the fundraising that Beth talks about in her paper, you can't properly construe it as financing for terrorist organizations, because a lot of the groups in Syria have not been designated. I mean, most of this money is not going to, say, the Nusra Front, for example.

So, what tools then, does the international community and Kuwait have for curbing some of this funding, if they feel that it needs to be curbed for one reason or another? Is it possible to curb it under the rubric of countering threat financing, when that is so focused on terrorist organizations?

MR. KEATINGE: It's very -- I think it's very difficult. I think there is a hard way and there is soft way. The hard way is clearly, if one can prove that money is going to organizations that are designated then the steps – then steps can be taken which, as most recently as yesterday, by the U.S. Treasury, were taken by designating a couple individuals, not from Kuwait, but who were providing finance to designated organizations.

There is an alternative way, and that is that financial institutions are very concerned about their reputation, and about being tainted by anything

which would damage their reputation.

So whilst you may not be able to directly target individuals who are transferring money, and you'd rather they didn't transfer money, you can let it be known that these individuals are perhaps, not doing what you would like to be done. And you will very quickly find that the services that they receive from banks, et cetera, will start to be withdrawn. That won't cut the funds, per se, but it will potentially inject a fear factor, which might make them think twice, before continuing to do what they're doing. So I'd say that's -

MR. McCANTS: Has that every worked anywhere?

MR. KEATINGE: Yeah. It certainly has. I mean if you look at the -- again, the period after 9/11 so, for example, in Saudi Arabia, they very effectively curtained a lot of the donations that were going on, combined with the fact that – I mean a lot of those kinds of donors felt that the cause for which they were donating money wasn't going so well in Afghanistan and, sort of, later on the '02, '03 period, but then something might happen which turns the tide of sympathy. Or, puts forward a cause célèbre to donate money to, so you saw the situation in Iraq where documents were found, where a core al Qaeda writing to Zarqawi saying, you know what, we are having a bit of trouble with money, would you mind sending us 100 grand; because he was very effectively raising money for his cause in Iraq at that time.

So, I think it is possible to use soft pressure to curtail donors, but it will require the Kuwaitis to, perhaps, be more aggressive than they might want to be with these individuals.

MR. McCANTS: Okay. Thank you very much. We are going to open it up for questions now. I think we have mics around the room, so if you could just raise your hand, and then wait for the microphone to come to you. We have one, kind of, over there.

MS. AYUB: Thank you. Good afternoon. My name is Fatima Ayub, I'm with the European Council on Foreign Relations. Thank you very much for the paper, I think it is very, very interesting. I'm curious as to, you know, whether you or any of the panelists have looked at how the creation of the Islamic Front, and sort of the attempt to kind of, you know, bring these groups under one operating banner, given that the Military Councils have been -- they basically don't work anymore. But do you think that this is going to, in some way, stem this kind of competing competition from private donors?

Because obviously, there is a kind of open question, in the minds of governments in the Gulf as to, you know, the behavior of their citizens, and how it may come back to bite them at the end of the day, but I'm wondering what your thoughts were on that. And also, I wonder -- I know it's not really the -- sort of the core focus of your research, but is there any reflection on how this kind of proliferation of arms and militias in a country like Syria, ultimately affects what happens there in the long-term?

I mean, we've seen, you know, certainly the world has seen what kind of an impact this has elsewhere, but is there any kind of consideration that this might ultimately come to do more harm than good?

And again, because there is no clear way of understanding where

the money flows go. I mean, the most destructive groups, ISIS and Jabhat al Nusra, certainly aren't getting, you know, tons of Gulf money, they're getting it from elsewhere, but they can still do a lot of damage. So I'm just curious if you can reflect on some of those points.

MR. McCANTS: Beth?

MS. DICKINSON: Yeah. So on the Islamic Front, I was actually looking at this the last few days. A lot of the really prominent Kuwaiti backers have come out in support of the Islamic Front, but I suspect that what we'll see is sort of -- everyone is equal, but some rebel brigades within IF are more equal than others, situation. For example, I think although they're all now under the same umbrella, I think that groups like Ahrar al-Sham will continue to receive better funding, particularly from some of these individuals than other brigades in the IF.

So I wouldn't expect -- I mean, I don't know, I can't predict the future, but I wouldn't expect these donors to change their financing in any way. I would expect them to continue in the networks they've already established, and just, you know, work with -- and then those rebel groups will continue to work together.

MR. McCANTS: Have any of them reacted to the formation of the Islamic Front?

MS. DICKINSON: Yes. They have. Actually one of the most prominent donors, his name is Shafi al-Ajmi, one of the backers of Ahrar al-Sham, has come out in support publicly of the Islamic Front. Yeah, and we've

seen these sort of alliances in the past. This one seems to be different because it's bigger and it seems that it has a bit more coherence. But, for example, Shafi al-Ajmi, there's some evidence that he was involved in brokering arrangements between Ahrar al-Sham and other individual rebel groups at different points in time. So, I mean, the big question is, whether, you know, this alliance is different from other alliances, and if it has sort of any holding pattern. But, yeah, I wouldn't expect the funding pattern to change.

In terms of sort of regret about what this could do to Syria in the future; yes, I think this is one of the main reasons that the broad-scale funding in Kuwait has sort of dropped off, and it's really just the very hardcore elements that remain.

So, for example, if you look in -- those of you who have a copy of the report there's a quote in there, on the first page, from someone who raised money for moderate brigades, and he basically was just lamenting the fact that, you know, basically his and others' support has gone in so many different directions, that it's really sort of destroyed the opposition, by making them totally incoherent and unable to work together. Yeah.

MR. McCANTS: I think you have a question in the back.

MR. ALVAREZII: Hi. My name is Dhamaal Alvarezii. I'm a Syrian Journalist. I just recently came back from Hama area. I was in Aleppo and Hama. Really what are you talking about, most of these funding, really not for weapon, because I've seen the Kuwaiti and the Saudi, you know, things will, say, arrive in Syria. Mostly dates or clothes or -- there's nothing about weapon.

Most of the weapon which the -- at least my experience, between Aleppo and Hama Province, that most of the weapon are really from the Syrian Army, most of these sophisticated one even, they capture them -- the Syrian Army. So really, you cannot talk about, you know, favoring this group or that, because one example, that when Jaysh al-Islam had been asking, you know, the headquarters, we need - we need weapon, we need weapon. They refuse to give them.

Then suddenly they overtook the headquarter, but what I'm saying that always, they refuse to give them, even if there was a weapon from maybe mostly Qatar or -- but not Saudi Arabia, positively, and not Kuwait.

I don't know the -- we have so much propaganda from the other side saying, you know, the Gulf country is giving, you know, the head of the intelligence, Bandar is giving, and stories in *Al Akhbar*. Oh, nice, you know. Most of the weapon is from the Syrian Army.

MR. McCANTS: Do you want to tackle that?

MS. DICKINSON: Yeah. No -- I really appreciate your making this point, and I think I would emphasize again, just how much humanitarian aid the Kuwaitis are doing. Or how much work they're doing, and these charities are doing sort of -- you know, they are really the unsung hero of the humanitarian crisis in Syria.

Over and over again, the Kuwaitis are the only -- you know, they're the ones, they are the first donor in sort of every case for humanitarian work. I think there's -- there is an aspect of this, too, that is sort of -- I think I

mentioned one example, but where do -- exactly do you draw the line on this? So, you know, if you're supporting a hospital that's run by a particular brigade, is that humanitarian aid? Is it just -- does it have, sort of, a lethal component?

It's a very sort of -- it's a spectrum, you know, it's not sort of black and white and, you know, I think that raised of the questions that makes this so complicated is, that yeah, a lot of this money probably does go to things that are very much needed on the ground.

You know, these rebel brigades they understand that, you know, if they're controlling an area that also means, you know, the bakery. That also means the hospital, and it means providing for people, and no one else is doing that, frankly, because these groups are the only ones who have access to these areas. So I really appreciate your point, sir. Thank you.

MR. McCANTS: I would also add -- I would also that the paper was not about states sending assistance, but private individuals. And a lot of the assistance for weapons comes in the form of money, so the groups on the ground can then buy the weapons they need. Whether they do deals with some low-level guy in the Syrian Army, or whether they go across the border to buy the weapons. Crates full of weapons are not showing up, the money to buy them is.

Tom, did you have point.

MR. KEATINGE: No. I was just going to say I'm in touch with the guy who does a substantial amount of this kind of fundraising, and clearly people give money for specific kinds of weapons. So, one case in Kuwait, relatively recently, which he had attended, where, the aim was to raise money for as many

shoulder-launched anti-aircraft missiles as possible, $75,000 ago, they raised enough money for 11. And there was a certain amount of macho bidding going on amongst high-profile individuals who attended this event.

You know, I'm going to bid for two, and someone says, well I'm going to bid for three; and that kind of attitude. So, I don't dispute anything that you say, but I think money is given specifically for purchasing weapons. Where those weapons then come from, I don't know.

MR. McCANTS: Ma'am, you had a question here?

MS. MUDALLALI: My name is Amal Mudallali, I'm with the Wilson Center. I have two quick questions. There was a report this week about 10 Kuwait Shiites killed in Syria, I think -- working with Hezbollah. I was wondering if you can elaborate more about the help that the Shiite community is doing for Hezbollah, and in Syria; and what kind of funding, what kind of --? Are they fighting with the Syrian regime and stuff like that?

The second one is, isn't there -- just to comment on what the man just said, and I agree with him, because there's a fear now that when you concentrate on the issue like this, without making distinction -- and I thank you for making distinction between the legitimate organizations that are helping, and the ones who are buying weapons and raising money for weapons.

You really are going to make -- there's a fear that maybe the Government of Kuwait now, out of fear of being sanctioned, will crack down on these people, and then the needy Syrian people on the ground are going to suffer. Thank you.

MR. McCANTS: Beth?

MS. DICKINSON: So, on the Shiite angle. I, unfortunately, don't know much more than I've already said. I think this is something that I would like to look into further. It's clear that fundraising is happening. I don't know the extent, but I imagine that it is probably comparable to what's happening on the Sunni side, in terms of amounts of money.

And, Kristin, maybe you can help me here, but I believe that there is -- there are long-standing historical ties between, sort of, support for Hezbollah and the Shi'a community, that could be tapped in sort of -- in those networks. I've seen lots of reports of, you know, both Sunni and Shiite Kuwaitis going there to fight, but I certainly -- I don't have anything confirmed that I could tell you.

MS. DIWAN: Yeah. I don't have any specifics on what's happening now, but it is interesting, the Shi'a community kind of parallels the Sunni community in Kuwait, where Shi'a -- the Shi'a community in Kuwait was also a real center for Shi'ism, for activist Shi'ism, especially across the Gulf. I mean, you had some very prominent activists that came originally from Iraq that settled in Kuwait, and set base there. And then had influence in transnational networks throughout the entire Gulf, and some of them linking into Syria as well.

And those were parlayed, as well, into business contacts, too, on another side. So they are also -- there's activist communities, and you also have, at the higher level, businessmen that we are working -- with the Syrian government all -- across the Gulf, of course, a lot Sunnis are working in the Syrian Government as well, during the time when the Gulf had a lot of money

and were looking to invest abroad. But those relationships were established and can be instrumentalized now.

MR. McCANTS: Beth? On the second question, about good funding versus bad funding, can you talk for a minute about what Saudi Arabia has attempted to do in terms of -- because there's been a lot of fundraising for humanitarian relief in Syria -- for Syria, in Saudi Arabia, but they've also attempted to crack down on this other kind. Can you talk about that a bit?

MS. DICKINSON: Yeah. I think it -- this is a great example, because I mean across the Gulf, the Syrian crisis has really -- it's really struck a chord with people, and that's because it's such a terrible conflict, humanitarian-wise, it's such a visual conflict. We are seeing so many -- people feel very close to it, because of the images that we see on YouTube and Twitter.

There are also just a lot of familial connections in the Gulf to Syria. So in that sense it's a very close, personal conflict for many people in the Gulf. I think every Gulf country's government has realized that their population is deeply motivated to help the Syrian people.

And Saudi Arabia has taken a very interesting strategy to, sort of, channel all of that relief into one, public campaign, so they had this gigantic telethon where -- you know, they got the religious establishment involved, they got, you know, the charities involved. They got all the TV networks, and just everybody was giving to this one pot. And I think this was their way of sort of channeling that, those emotional responses, and the very, very sincere desire to help into one way that they could then use for humanitarian purposes, but that

was a bit more controlled.

So you had them -- anyone who is trying to do fundraising and sort of outside that umbrella was asked to join that umbrella in, sort of, an inclusive way. Then the Saudi Government through, I believe, the Saudi Red Crescent, would move that into -- use that for humanitarian work.

The UAE had done something simpler -- similar with the UAE Red Crescent. Gulf countries understand that their citizens want to help, and so I think that they are -- they've taken these strategies as sort of a way to -- you know, to turn that into really active philanthropy. Yeah.

MR. McCANTS: Thank you. Tom?

MR. KEATINGE: Yeah. If I may, there's a sort of bigger-picture issue here as well which is that, I referred earlier on to these various recommendations that the Financial Action Task Force publishes. And one of those is a specific recommendation that indicates that charities, NGOs, are deemed to be a vulnerability in the counter terror finance effort.

So things like these proceeds you're talking about, may well be driven by the fact that actually controlling where charitable moneys are going. Not just where they are going but where they've been received from, is something which the global threat finance community looks at very closely. Now there are -- it's not the forum for this - but there are unintended consequences of that, but actually monitoring where charitable donations are going, where they're being transferred to, is viewed by many people as a vulnerability.

And so, trying to control that, or corral that, or make that go

through safe corridors which are -- where you know where the money is going, you know who the beneficiaries are, is something that countries are heavily incentivized to do if they want to get the clean bill of health from the FATF.

MR. McCANTS: Another question here?

MR. KADHIM: Thank you very much. Abbas Kadhim, with the Iraqi Embassy. Thanks for such a very informative panel. All three really were very informative. One, before a question maybe a little bit of personal experience on, what an insurgency is. When I was young and crazy, I was part of the 1991 uprising in Iraq. And we did control some 14 out of the 18 provinces in Iraq, our problem wasn't much of the weapons, but it was more support, so there is more to actually supporting an insurgency than just buying them weapons, or giving them that. There is much more.

So, the gentleman does have a point, yes, a lot of the weapons is captured, as we did in '91, from the army, but there is more to supporting an insurgency that that, and this money can go to a lot of non-lethal, non-weapon, but it's certainly in support of the insurgency.

My question here is, it is very hard to draw the line in countries like the Gulf States, between what is private and what is public, and what state involvement is. You already alluded to the fact that some parliamentarians were supportive and active, and we know people like (inaudible), et cetera, who, either went to Syria or some of them become vocal.

But my question to the panel is about the attitude of the Kuwait Government. The Kuwait Government is less sanguine in public about the

Syrian issue, like the Saudis, and the Qataris who are talking daily, but is it -- what is happening in Kuwait a matter of structural problems, as the three of you alluded to. That the people who are fundraising are using a lax system against the very government that implements it, abusing the margin of freedom, relatively larger than others?

You know, no structure put in place, as you mentioned, to comply. Or is it that there is some complicity at a certainly level, by looking the other way, rather than just structural failure? I would be interested to hear, you know, the panel's view. Thank you very much, again.

MR. McCANTS: Okay. We'll start with Beth, and move down.

MS. DICKINSON: Sure. Yeah. I do think that the Kuwaiti Government is aware that this is going on. They may not know the extent of it, I don’t know how deeply -- it may be a case of not wanting to look too deeply, but they certainly know that it's going on, so that I can say with near certainty. I'll give you an example of, sort of, one of the ways that it's been difficult for Kuwait to do anything about it.

So one of the complications, as Kristin alluded to, is that a lot of the people involved are politically important at the moment, so one particular individual that you actually mentioned is a Former Parliamentarian, if he, you know, on Twitter said, you know, let's get people to the streets, you know, there would be 10,000 in Kuwait City tomorrow. So that sort of person, when you're dealing with -- for the Kuwaiti Government is particularly difficult.

But there's one example that I thought was very telling, is there

was a great story about two different fundraising events that were held. One was held with the presence of one of these MPs who supports the Syrian Opposition. And one was held without the MP, and they were both in public. And the one without the MP was broken up by police, very easily. The one with the MP wasn't touched.

And the police sort of came and then they were like, hmm, too complicated. So they actually didn't break it up. So the way that the donors have started to look at some of these MPs is, sort of, as a political cover. A way to sort of give them a little bit more space to operate. So even if the MPs themselves are not raising a ton of money, they are providing space for other people to raise money, and creating a huge headache for the Kuwaiti Government.

MR. McCANTS: Kristin?

MS. DIWAN: To amplify that. Particularly in that period when she was talking about, when things were really rising around 2012, I mean, this was the time of really broad opposition activity in Kuwait. You had the opposition at that time taking a majority of the parliament in one election, and really threatening to be able to constrain the ruling family in new ways. I mean, they were actually -- some people were calling for, pushing for parliamentary monarchy and having, you know, the parliament be able to choose a prime minister.

And they had just basically forced the removal of the prime minister, so it wasn't, I don't think an empty -- completely empty threat at the

time. Of course, a lot of these parliamentarians that you're talking about are now former MPs because those MPs are now -- are out of politics. They've sort of lost the game against the government, but they -- I think, particularly in 2012, there was a vulnerability for the government in pushing against this opposition that was very -- resurgent at the time.

And the particular vulnerability that the government had was because you had a lot of, like, youth-led politics that were coming from the streets. I mean they couldn't even negotiate necessarily with the MPs, because the MPs themselves weren't controlling everything. You also had a lot of new kind of tribal politics that were new, that the government wasn't controlling very well at that time either, and because a lot of these tribal areas that had been very loyal to the government before were turning oppositional.

Just the math of the politics of it, meant that the government itself was very reliant on the Shi'a blocs, political blocs, to keep their political position, and everybody knew this. And it led for a sort of a natural inclination towards conspiracy theory or something that this government is too close to the Shi'a.

You had the former prime minister who was very unpopular, actually had been ambassador to Iran, so you had this kind of connection. And this already perception that they were close to the Shi'a. So I think this made, sort of, like -- I mean, where you see like, even President Obama of the United States, not wanting to tackle certain issues where he has vulnerabilities.

The same thing in Kuwait, they didn't really want to take on some of these groups, on what was a very popular issue at the time, Syria giving, you

know, support to the Syrians, and look like they were acting in support of another faction within the community. There's also potential -- I don't know anything about this, but there's been a lot more ruling family factionalism, too, in Kuwait. There's been a lot more competition within the ruling family.

I have no idea how this plays out particularly -- or if it enters in to the Syrian issue, but at least there's the potential that, again, on what has been, in the past at least, a very popular issue, coming out in a position that's unpopular, maybe played against you by another, you know, competitor within the ruling family.

I think -- one thing that's sort of interesting to think about though, is a lot of the height of this has sort of passed now, and the ruling family has a lot more influence right now, and seems to be able to try to control this. And a lot of the way that they actually got more of the public coming back, in sympathy to their position, is because of how bad things were going in Syria, and because of the fears that Kuwaitis had, that this was going to be imported into Kuwait.

And people just started to think, this is getting too hot, the sectarian rhetoric is getting too hot. So that this message that the government was applying -- of national unity -- became very resonant, I think, to a lot of the public. So that, might be, give a little more space for the Kuwaiti Government to do a little bit more on these issues now.

MR. McCANTS: Tom?

MR. KEATINGE: I think that anything I'd add is obviously, it's not just these donors who are raising the money, but they're clearly within the

establishment, within the mosques, et cetera. And, you know, I don't know anything about Kuwait in these times but, you know, I would imagine going against those kinds of organization is -- you know, is extremely difficult for the authorities. And that's one of the questions that comes up regularly is, how should these pots of monies, zakat et cetera, how should they be controlled, distributed, you know, and different countries take different views to that.

MR. McCANTS: Okay. Thank you. More questions? Yeah. We have one --

MR. MITCHELL: Thanks, very much. I'm Garrett Mitchell, and I write *The Mitchell Report*. And I want to take you back to your title, which I assume was not a casual decision. *Playing with Fire: Why Gulf Financing Risks Igniting Sectarian Conflict at Home*, that's sort of, a two-part question.

Where is home? What is the real danger that you see here? Is it -- and I don't mean to underplay this -- is it simply about Syria and what's going on in Kuwait? Or is it something larger about a trend that, perhaps, this identifies, about the role of big money in big conflicts? And I must say, as I've listened to the conversation today, I've sort of gone back and forth between a -- sort of, this is the way it should be, but it doesn't sound like the end of the world.

And then I come back to the title, of *Playing with Fire*, *Igniting Sectarian Conflict at Home*, and I say, well maybe I'm not hearing something that I should, so I really would love to get some clarification there. I must say, in listening to it, it also sort of reminds me of the angst that we express here at home about the role of outside money, and big money in our electoral politics.

So if you could expand on that, that would be helpful.

MR. McCANTS: Thank you. Beth?

MS. DICKINSON: Yeah. The thing that scares me most, thinking about this and the impact that it will have, by home I guess I meant Kuwait, and more broadly, the Gulf. So that was the specific geographical reference. But the thing that scares me the most is that I fear that what's happening with the donor community now, is just the beginning of the birth of a new network of extremist funders that is not going to disappear easily, or willingly.

These networks probably existed in the past. I know for a fact that they've expanded during the Syrian conflict, because there are new actors that, you know, are known to be new in the donor community, and that have established new networks. These networks aren't just in Kuwait, they extend far into Saudi Arabia, Qatar, Bahrain. These are groups that now have access to one another in a very -- in an instantaneous and easy-to-access way through social media, online, Blackberry messenger, you name it, they can talk to each other.

These are not networks that are going to be quashed easily, and I think the longer the Syrian conflict goes on, the more entrenched those networks get, the bigger they get and, frankly, the more extreme they get. Because watching the conflict in Syria doesn't privilege moderate ideologies, it privileges ideologies that take an extreme interpretation of the events that are happening, because they are just so graphic.

That is my biggest fear. And when I am mapping, sort of, the

social networks of these donors which, you know, thanks to social media we can now really sort of instantaneously do, I can map them to Bahrain. I can show you how Salafi communities in Bahrain are connected to Salafi communities in Kuwait, which are connected to Salafi communities in Qatar. I can show you pictures of a Qatari and a Kuwaiti donor who are in, you know, Syria together, having raised money through Kuwait. You know, these are networks that are not going to disappear.

MR. McCANTS: Thank you. There was a question in the back?

QUESTIONER: Yeah.

MR. LAYMAN: Dan Layman, Syrian Support Group. Elizabeth, thank you for this, this has been very useful. My question is about the story you told during your section. You said that there was a very public fight on Twitter between a donor for Ahrar al-Sham and Jaysh al-Islam, but as we know now, under Islamic Front, Jaysh al-Islam, Ahrar al-Sham, they started consolidating their gains. Since they took over the warehouses of the SMC on December 6th and December 7th, they've kind of starting setting their command structure in stone.

And at the very top, the military head, that's Zahran Alloush, head of Jaysh al-Islam, and then the tentative head of the political wing, is Hassan Abboud, the head of Ahrar al-Sham. So I'm just wondering if there was an end to that story, and eventually they took -- they worked it out and now those groups being under the same command structure, and those two leaders working very closely together. I'm just wondering, what happened there?

MS. DICKINSON: Yeah. I don't know if there was like a meeting and they, you know, shook hands and had tea, and everything was better. They did sort of both come under a lot of flak for that fight, and so I imagine they both, sort of like, you know, backed off from their positions. But you know, I think -- at the end of the day this is sort of an opportunistic alliance, I think.

And I'm not sure, you know -- hopefully it has more staying power, in the sense that it would give a lot more coherence to that very important question, who is the Syrian Opposition? Because I think, you know, up till now we have not been able to answer that question in a coherent way, and if this allows us to do that, I think, you know, maybe it's a positive thing.

But, I hesitate to think that that alliance is, at the moment, in its current form, anything more than an opportunistic group of brigades that have decided to work together and pool their efforts.

MR. McCANTS: More questions? Yes, please?

MS. JUDSON: Hi. Sally Judson, The SETA Foundation. I had a kind of hypothetical question. A lot of people have become more pessimistic about the possibility for a successful Geneva Convention, and see a more likely scenario being a fractured Syria, where different opposition groups control different areas. I was wondering what you thought this impact would have on the donors in the Gulf? Whether they would, maybe, stop sending as much funds, or whether it would increase the division among the different donor groups?

MR. McCANTS: Thank you. Do you want to (inaudible)?

MS. DICKINSON: I don't, honestly, have a lot I can add on this,

except to say that all the donors that I'm aware of have stressed the need for the structural integrity of Syria, and that's something that the Gulf countries themselves have also really emphasized. So I don't imagine that they would take kindly to the fracturing of Syria. And I don't imagine they would stop fighting if it took place.

MR. McCANTS: Yeah. There's a question over here.

MR. TANIS: Hi. Tolga Tanis, with *Hurriyet*. Thank you for this. I have a quick question on Turkey actually. You touched base on the role of Turkey in this -- the money transfers, the donors transfer money to Syria, through Turkey. Of course I know that, two separate issues. One, legal -- I mean legal monies going to help the Syrian refugees, and the other one to get weapon, to provide weapon, and we know that these groups are providing some of the shotguns probably, for example, from Turkey. And they are funneling these shotguns to Syria.

Are you aware if its -- I mean is there any role of this money in this trade? And what kind of transactions are, in fact, in terms of these transfers -- money transfers through Turkey?

MS. DICKINSON: I don't know of any role of Turkey in terms of the money transfers, if you're talking about exchange houses. The role of Turkey in, sort of, the financial movement, that I'm aware of, is in terms of cash. So the easiest place to go in and out of Syria is the Turkish border with Syria, in the Northern Syria. So a lot of the cash money would be moved to Turkey and then, literally, sort of, walked over the border by one of these guys.

So that's the involvement that I'm aware of from Turkey but, you know, I personally do not report on Turkey, so I don't know the specifics. But from my reporter colleagues, I know that it's sort of -- the border has become sort of a Wild Wild West, and you know, there are shops set up with military fatigues and, you know, I think you have a good story that maybe that would be helpful here.

MR. KEATINGE: Yeah. Yeah.

MS. DICKINSON: Yeah.

MR. KEATINGE: Well I -- so I guess two comments on Turkey. First of all it's something of an anecdote, but this chap I know who works for an NGO, and he was telling me how he goes to a sort of Souk in Istanbul to buy suitcases to carry cash down to the border. But more specific, coming back to Turkey, I think is in an interesting position, because Turkey was another country that was under a certain amount of pressure from FATF to upgrade its compliance with that regime.

I think Turkey demonstrates, to some extent, how much power these recommendations have, because if you read some of the reports from the credit rating agencies, actually they -- Fitch referred early this year, to the fact that had Turkey not cleared its name, per se, then they may have downgraded its credit rating. Because being sort of blacklisted or gray-listed by the FATF would have made it more difficult for them to access capital markets and they've got foreign borrowings due, et cetera, et cetera.

So this all is quite closely linked together, so I think what happens

in Turkey will be interesting to watch, and I think the authorities there should be aware of the extent to which they are, inadvertently, or otherwise, facilitating that money moving.

MR. TANIS: (Off mic)

MR. McCANTS: Hold on a second. Wait for the mic.

MR. TANIS: In the latest meeting of meeting FATF at Paris, in October, the FATVs refused to release Turkey from the monitoring list in terms of these concerns, as far as I know. Was Syria -- was in the facts on this decision?

MR. KEATINGE: I have no idea. How FATF makes its decision is not --

MR. TANIS: FATF, I mean 36 members of FATV refused the request of Turkish Government to release it from the monitoring list. There are 11 countries on that list including, Yemen, Kuwait, et cetera, but Turkey wanted to be delisted, and U.S. administration objected to this request, and the other 36 members objected to request. I'm wondering if Syria was in --

MR. KEATINGE: I don't know.

MR. TANIS: -- want a factor on this decision.

MR. KEATINGE: I don't know. I don't know.

MR. McCANTS: So I -- we are getting near the end. I'd like to ask a last question. Mainly to Beth and to Tom, but Kristin if you have an opinion, feel free to jump in.

But I'm sure those on the panel know, and many in the room know, that the general mood in D.C. is that this isn't a conflict that we should be

involved in. There's nothing we could do to really affect the course of it. And I want to talk about that mood specifically with reference to this foreign funding issue.

I think a number of people will hear, Beth, and read your report, and hear what you're saying, and they will say, well, look, I mean, the United States could have done all it wanted to fill this vacuum and provide assistance in Syria, and these folks in Kuwait would have still raised the same amount of money, still have been sending it there. And, even if we wanted to do something about it, Tom, that there's not really anything you can do.

I mean, if you talked to U.S. officials, and I have in the past, although I understand there's a bit of a change of attitude now, but in the past you talk to U.S. officials, they're just like, ah, what can you do, it's just such a messy problem. We don't really have the leverage to do anything. So I wonder if you can address that.

MR. KEATINGE: Let me give you a European perspective first of all. There is, and I'm sure you'll be aware of this. There is a very significant concern in Europe about the blowback effect of the conflict in Syria. So, you know, as people do more and more research, it's becoming clear, that the number of people who are choosing to travel from European countries to Syria is quite considerable.

Money is clearly involved in that, how do they -- who is paying for them to travel to Syria? Who is financing them once they get there? So I personally think that money is, like many things, is at the center of this, and I

think trying to address the financing, and I'm not necessarily sayings it's all through Kuwait, but trying to deal with the financing issue, I think is important because the numbers are increasing dramatically.

And if you look at a small country like Belgium, and the number of people that are going from Belgium to Syria, there's a big problem brewing, as there is in the U.K. It's been commented on by the security service there. So, I think it is important, it's difficult to get your arms around it, but, you know, without money -- I think the general view is, without money, perhaps there would be less willingness of foreign fighters to travel. And from a European perspective that's probably the most interesting thing about this discussion.

MR. McCANTS: Beth?

MS. DICKINSON: I guess I would go back to a conversation that I had at the end of 2012, during a conference in Doha that was meant to try to unify the very fractious Syria Opposition, I remember, very vividly, talking to one of the local military guys that had been brought in to that conference. And I remember talking to him, and he was basically sort of, you know, making his case, pleading that, please, the fighters on the ground are living such a hand-to-mouth existence, really, at this point, that any flow of funding will sway them, you know, this way or that way, this way or that way.

I do think that there was really something to that, and I think that -- the amount of money that, you know, we are estimating being talked about, hundreds of millions of dollars. That would be very easily outweighed by any sort of one major, you know, donation from -- you know, be it the West, or if the Gulf

decided to actually, you know, get their act together and really sort of, in a clear way, help the opposition rather than just individual parts of it.

I think that there was a moment, perhaps, when more unified support could have brought the opposition together; I now think that that moment has passed. I am not convinced anymore that Western support would be able to unify the opposition, given how fractious it's become.

Which basically leaves us in a position where, I don't know what can undo the damage that's been done up to this point, in terms of creating a coherent Syrian Opposition. I do think that getting the Gulf countries onboard the project of unifying some sort of Syrian Opposition would be a positive thing. And I think that the Gulf countries are extremely important in getting any successful Geneva discussion moving forward. And you know, we talk a lot, you know, is the regime going to attend Geneva? Are the rebels going to attend Geneva? Well, how about Saudi Arabia? Is Saudi Arabia going to attend Geneva? Because to me that seems like an equally sort of important question, and maybe one where we could have a little bit more influence. Yeah. I think the U.S. missed its moment.

MR. McCANTS: Tom, you have a brief follow-on?

MR. KEATINGE: Yeah. I mean, for just one follow-on, you have to ask yourself the question, where would the money come from if it didn't come from where it's coming from? And if you look in North Africa, the answer probably, kidnap for ransom. So, you know, even if we address the flows of money that are traveling at the moment, maybe we open a separate can of

worms.

MR. McCANTS: Kristin?

MS. DIWAN: You know, I'm somebody who thinks the U.S. has been sort too involved in the region and, you know, in a lot of different spaces, and I can definitely understand, sort of the desire to pull back, and there's not much appetite in the American public to enter into another war. But at the same time, I think it's very easy to read Elizabeth's report, and see that as an indictment to the U.S. policy.

I think, you know, if the U.S. were playing a much stronger leadership role, this is what -- this result that we get is what you get from the U.S. not being very strongly present in organizing and kind of taking a leadership role in Syria.

Whether we should have taken that leadership role in Syria, or not, I'm not completely sure yet, but I hope that policymakers are reading this and thinking about it, because there's a broader issue here. If the U.S. is going to be less forward, in a lot of our policies, the Gulf States have shown that they are going to step up.

I mean, that’s the message from Syria right now is that -- I mean from Saudi Arabia right now, is that they are going to be more proactive in the region. We saw it in Bahrain, we've seen it in Syria, and in the case in point we see it, it was not even a state we are talking about. I mean here -- I mean the support is talking about private actors that could have a really big effect and have this effect behind it.

So, I mean, regardless of what our policy on Syria is going to be, I think this is a good case study for thinking about how the U.S. is going to play this new role. What role can we play? Maybe in between not doing much of anything, and not playing, you know, an all-in role. But how can we start to manage and work through, you know, some of these real outcomes that come when we are not playing that strong role?

And I mean, we have that perfect opportunity right now, working with Iran, and the negotiations with Iran to try to think through those. And then I hope that we don't just sort of leave everything to chance.

MR. McCANTS: Well, thank you all very, very much for an excellent panel. I hope you will join me in thanking them.

(Applause)

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