CONFIDENTIAL

February 16, 2013

For: Hillary

From: Sid

Re: Algeria/Libya/Terrorism

SOURCE: Sources with direct access to the Libyan National Government, as well as the highest levels of European Governments, and Western Intelligence and security services.

THE FOLLOWING INFORMATION COMES FROM EXTREMELY SENSITIVE SOURCES AND SHOULD BE HANDLED WITH CARE.

1. As of February 15, 2013 Algerian President Abdelaziz Bouteflika instructed the commanders of the Algerian external intelligence service (Direction Générale de la Sécurité Extérieure – DGSE) to provide Libyan intelligence chief, General Salim Hassi, with selected portions of the information obtained in the investigation of the terrorist attack on the facility at In Amenas. The president cautioned the DGSE commanders to manage the information being passed with care, keeping in mind that he is not convinced the new General National Council (GNC) government of Libya will survive through 2013. He also warned them to avoid passing any information that might be interpreted to indicate that the Algerian government had not been properly prepared for the attack. Bouteflika added that they should move forward with this exchange as quickly as possible, since Libyan Prime Minister Ali Zidan was calling him every day to push for greater cooperation, particularly regarding contacts between the Mokhtar Belmokhtar (MBM) terrorist groups and groups and individuals in Libya.

2. After some debate the Algerian DGSE officers agreed to follow their president’s orders and pass on sensitive information obtained from the interrogation of known and suspected MBM supporters detained in and around Algiers by the internal security forces. At the same time they informed Bouteflika’s senior advisors that they would not provide the Libyans with the most worrisome reporting given to them by their liaison partners in the French DGSE. These Algerian officers also noted ironically that General Hassi and his staff did not realize that they had, for their part, provided the Algerian DGSE with intelligence that supported the French information.

3. According to a knowledgeable individual, the commanders of the Algerian DGSE reported to Bouteflika’s staff that their work confirmed their initial suspicion that the MBM attack on In Amenas was related to French military operations in Mali, as part of a loose but growing coalition of Islamist groups, the Movement for Unity and Jihad in West Africa (MUJWA), which was formed in mid-2012 with funding and support from al Qa’ida in the Islamic Mahgreb (AQIM). In the opinion of these individuals, MBM is a key member of this group and was best placed to strike at a Western facility in retaliation for the French operations in Mali. The Algerian officials also believe that Libya’s Ansar al Sharia plays a role in this umbrella organization. The In Amenas attack allowed MBM to stage an operation to keep the Algerian government off balance. These officials also stated that while Algerian members of MBM had planned and led the attack, the guerrilla force included experienced fighters from Mali, Libya, Saudi Arabia, Somalia, and Egypt.

4. (Source Comment: Speaking on condition of absolute secrecy, this individual with sensitive access stated that the Algerians are keeping information received from the French DGSE confidential. According to the source, this information concerned the funding of the MBM operation and a possible link to the Ansar al Sharia attack on the United States Consulate in Benghazi Libya on September 11, 2012, during with the U.S. Ambassador was killed. This individual adds that this information provided by the French service indicates that the funding for both attacks originated with wealthy Sunni Islamists in Saudi Arabia. During July and August 2012 these financiers provided funds to AQIM contacts in Southern Europe, who in turn passed the money onto AQIM operatives in Mauritania. These funds were eventually provided to Ansar al Sharia and its allied militias in the Benghazi region in support of their attack on the U.S. consulate. The money was used to recruit operatives and purchase ammunition and supplies. This person adds that the same tradecraft was used to provide money used by MBM to organize the In Amenas attack. The request for these funds apparently originated in mid-January 2013, and the Algerians noted the speed with which the AQIM support network was able to pass them on to MBM organization leaders at their camps in Mauritania. In a separate conversation, the Algerian DGSE officers note in private that Libyan intelligence officers tell them that the Benghazi attacks were funded by these financiers in Saudi Arabia. They did not tell the Libyans that they had similar reporting from France.)

5. In a separate, private conversation, the Algerian DGSE officers stated that they held clandestine meetings with MBM representatives in the Mauritania/Morocco/Algeria border region during early February 2013, using their established protocols. The Algerians note that this is not the first time MBM has violated their secret truce agreement, and they were particularly forceful in their meetings, pointing out that they had wrapped up much of the MBM support network in Algiers following the attacks. In response the MBM representatives apologized and assured the Algerians that AQIM left them no choice expect to cooperate. The Algerians dismissed this explanation, noting that MBM has a similar excuse every time they stage an attack in-country. In the end the MBM leaders assured the Algerians that they would refrain from similar attacks, noting that they do not want a return to all out civil war with the Algerian military. The Algerian DGSE officers pointed out the fact that the Algerian Army, particularly the special forces units, were anxious to strike at MBM, and if there was another attack they would do so, showing no mercy for the MBM fighters.

6. (Source Comment: According to this extremely sensitive source, the leaders of the Algerian DGSE believe that AQIM and its allies will continue to strike at Western facilities in the Maghreb, taking advantage of countries where the security structure is disorganized following the uprisings of the Arab Spring in 2011-2012. They believe that MBM is unlikely to carry out attacks in Algeria for the next six months. This individual noted that the commanders of the Algerian Army do not agree with this assessment regarding Algeria, and continue to press Bouteflika to allow them to launch large scale operations against MBM and other allied groups in the Southwest border region. The Intelligence chiefs believe the president will move on this request only if MBM violates their clandestine agreement once again. They note that he is committed to avoiding a return to civil war; the last round of fighting having cost over 200,000 lives on both sides.)