

PMW Special Report

The PA's billion dollar fraud

The PA's claim that it no longer pays salaries to terrorist prisoners is false

- ***Claiming to have complied with demands of international donors, the PA announced in August 2014 that it had stopped funding salaries to terrorist prisoners, and that the PLO would fund those salaries instead***
- ***This PMW report documents that the PA's claim to have stopped funding terrorist prisoners' salaries is false. The PA Ministry of Finance continues to make the decisions and allocate the money for salaries.***
- ***The PA's pledge that it fulfilled donor countries' demands is false. Therefore, the PA today is fraudulently receiving the \$1 billion/year it receives in foreign donor money***

by Itamar Marcus and PMW staff

Overview:

2011: PMW exposes that the PA pays high salaries to terrorist prisoners jailed in Israel, among them murderers serving many life sentences.

2012-2014: Western donor countries condemn these payments and threaten to cut off funding unless the PA meets their demand and stop paying salaries to imprisoned terrorists.

August 2014: PA claims to acquiesce to international pressure, announces that it has closed the PA Ministry of Prisoners' Affairs, and that salaries to prisoners will no longer be paid by the PA but by a newly formed PLO Commission of Prisoners' Affairs.

The new PLO Commission is identical to the old PA Ministry of Prisoners' Affairs in everything but name. The Commission and the salary payments to prisoners remain under the "supervision" of the "Palestinian presidency," i.e., Mahmoud Abbas. The PA Minister of Prisoners' Affairs became the director of the PLO Commission of Prisoners' Affairs.

2014–2016: Western donors accept PA assurances that the PA has stopped paying salaries to terrorist prisoners and the PA continues to receive foreign aid.

April 2016: This PMW report shows that the PA has misled donor countries and in fact continues to fund salaries to terrorists. The PA today is fraudulently receiving aid from Western donor countries of approximately \$1 billion/year.

- The PA Ministry of Finance is identified by official PA sources as the body responsible for paying salaries to terrorist prisoners.
- The PA Ministry of Finance continues to be responsible for policies regarding salaries to terrorists.
- PA officials openly talk about the PA's continued payment of salaries to prisoners based on current PA law that mandates that the PA pay them salaries.
- When the PA was short on cash, it announced that it cut salaries to terrorist prisoners (and civil servants) by 60%.
- In 2014, the last year the PA Ministry of Prisoners' Affairs operated, its budget was 442 million shekels. The year after the "closure" of the PA Ministry of Prisoners' Affairs, the PA raised the amount it transfers to the PLO by 481 million shekels: from 294 million (2014), to 775 million (2015). The additional 481 million shekels (\$128 million) the PA gave to the PLO in 2015 is the amount the PLO Commission of Prisoners' Affairs needed to take on the responsibilities of the PA Ministry of Prisoners' Affairs, which is primarily paying terrorists salaries. The previous year's amount, 442 million shekels, plus approximately 10% yearly rise matches the additional 481 million shekels the PA gave the PLO in 2015.
- The source of the money for salaries to terrorist prisoners thus continues to be the PA.

Conclusion

- Western donors are being intentionally misled by the PA, which continues to fund the salaries to imprisoned terrorists.
- By creating the PLO Commission of Prisoners' Affairs in order to hide that it continues to fund salaries to terrorists, the PA has succeeded to fraudulently receive \$1 billion/year in foreign aid from the donor countries.

*See appendix for examples of terrorist murderers who are receiving a PA salary.

Executive Summary

The Palestinian Authority receives over a billion dollars in international aid yearly. Several EU countries and the US threatened to stop funding the PA after Palestinian Media Watch exposed in 2011 that the PA pays high salaries to terrorist prisoners and released terrorists. Among the terrorist prisoners on the PA payroll are murderers who are serving many life sentences for killing Israeli civilians and orchestrating suicide bombing attacks, such as Abdallah Barghouti who is serving 54 life sentences for building bombs that murdered civilians in cafes, buses, and at the Hebrew University.

To counter the international condemnation and to continue receiving donor funding, the PA announced in August 2014 that it had closed the PA Ministry of Prisoners' Affairs and established a new institution, the PLO Commission of Prisoners' Affairs, which the PA claimed would instead fund the salaries from non-PA sources.

However, the PLO Commission of Prisoners' Affairs was new only in name. The PLO Commission has the same responsibilities and pays the exact same amount of salaries to prisoners. The payments are based on PA decisions and PA law. The former PA Minister of Prisoners' Affairs, Issa Karake, became the director of the new PLO Commission and PA Chairman Mahmoud Abbas retained overall supervision of the PLO Commission. (All sources appear below.)

In spite of these mere cosmetic changes, the international community accepted the PA's assurances that the PA was no longer paying the salaries to terrorist prisoners. One example is this statement issued by the Dutch Government:

“The responsibility for payments to prisoners was transferred to the PLO and will no longer be charged to the budget of the PA, and these [payments to prisoners] are not funded by PA tax revenues or donor funds. The PLO pays such costs from their own income, where the [Dutch] Cabinet has no access.”

[Question and Answer session, Dutch Ministry of Foreign Affairs, April 22, 2015]

The United States apparently also accepted that this change was enough. When challenged by a member of Congress to cut funding to the PA because of the salaries the PA paid to terrorists, Assistant US Secretary of State Patterson, three months before the announced closing of the PA ministry, explained that the US was aware the PA would “phase that out” and therefore it was not necessary to cut US funding to the PA:

“I frankly know that they’re going to try and phase that out and we should give them an opportunity to do so.”

[House Committee on Foreign Affairs' website, April 29, 2014]

Palestinian Media Watch has uncovered extensive and definitive evidence from official PA sources, proving that the PA assurances to the Netherlands, the US and other donors are false (all sources in full below):

- In August 2014, the PA announced that salaries to prisoners would no longer be paid by the PA but by the PLO.

- Yet, in October 2014, two months later, the PA announced that there were more than 200,000 recipients of PA salaries, which “includes the families of the Martyrs (*Shahids*) and wounded, **as well as the prisoners’ and released [prisoners].”**
- In January 2015, five months later, the PA Ministry of Finance announced that the PA budget for the Gaza Strip includes salaries to prisoners from there who are in Israeli jails.
- When Israel withheld PA tax money in early 2015, the PA announced that prisoners receiving more than 2,000 shekels/month would only receive 60% of their salary- the same reduction that was imposed the previous day on all PA civil servants. **Were the PLO paying prisoners’ salaries from non-PA sources, Israel's holding up tax money from the PA would have no impact prisoners’ salaries. Clearly, PA money is still the source paying terrorist prisoners’ salaries.**
- In December 2015, an internal dispute started within the PA. The PA, not the PLO, had decided to stop salary payments to a small number of prisoners and released prisoners for various reasons. This is significant because the PLO Commissioner of Prisoners’ Affairs and PA officials all criticized **the PA Ministry of Finance for stopping the salaries. No one complained to the PLO, as they should have, were it the PLO that paid the salaries.** Nearly a year and half after the PA claimed not be involved in salaries, the PA was still deciding and allocating the money for the terrorist prisoners’ salaries. Significantly, the head of the PLO Commission of Prisoners’ Affairs, Issa Karake, personally complained to the PA Ministry of Finance over the new PA policy regarding salaries to prisoners. Why would he complain to the PA if he himself and the PLO were in charge of the salaries?
- When released prisoners were protesting against new conditions to receive salary payments that had recently been imposed, they protested in the offices of the PA Ministry of Finance and not in the offices of the PLO Commission of Prisoners’ Affairs.
- Finally, PMW has uncovered PA Ministry of Finance documents that indicate a money trail, showing the transfer of money from the PA to the Palestinian National Fund (PNF), the body that funds the PLO, in the amount needed to pay the salaries to terrorist prisoners:
 - A. In 2014, the budget of the PA Ministry of Prisoners’ Affairs, which then paid the salaries to terrorist prisoners, was 442 million shekels.**
 - B. In 2015, after the Ministry of Prisoners’ Affairs was closed, the PA raised its annual transfer to the PLO via the Palestinian National Fund by 481 million shekels (\$128 million):**
 - 2014 transfer - 294 million shekels**
 - 2015 transfer - 775 million shekels**
 - C. The additional 481 million shekels the PLO received from the PA in 2015 was the amount it needed to fund the PLO Commission of Prisoners’ Affairs, undertaking the responsibilities of the Ministry of Prisoners’ Affairs. The transfer of 481 million is virtually identical to the budget of the Ministry of Prisoners’ Affairs in 2014 (442 million), plus 10% yearly growth due to rising prisoners salaries. According to PA law, the salaries of terrorist prisoners rise the longer they are in prison.)**

D. This route - money transfers from the PA to the PNF and then to the PLO - is the way the PA is transferring money to the PLO in order to continue funding salaries to terrorist prisoners, and to keep their payments hidden from donor countries.

All the above documentation shows that while the PA fraudulently claims to donor countries that the PLO is paying salaries to terrorist prisoners from non-PA sources, in fact the PA continues to be the source of the rewards to the terrorists.

Unaware that the PA continues to fund salaries to terrorists, the donor countries continue to contribute nearly one billion dollars a year to the PA.

The Report

*See appendix for examples of terrorist murderers who are receiving a PA salary.

In 2011, Palestinian Media Watch exposed that the PA pays high salaries to terrorist prisoners every month.

The PA has defined by law which Palestinians would be considered "prisoners":

"Anyone imprisoned in the occupation's [Israel's] prisons as a result of his participation in the struggle against the occupation." [Ch. 1 of Law of Prisoners, 2004/19, passed and published by the PA Chairman and Government, December 2004. The Prisoners' Center for Studies, www.alasra.ps, accessed May 9, 2011]

In other words, all Palestinians in Israeli prisons for terror crimes officially join the PA payroll. Palestinian car thieves in Israeli prisons do not qualify, but Hamas and Fatah terrorist murderers do qualify to receive a PA salary.

These salaries are linked to length of time in prison, going as high as 12,000 shekels – which is 4 times the average monthly wage of PA civil servants, 2,882 shekels, (in May 2011) - as determined by this PA government resolution:

"Government resolution # 23 of 2010 concerning the regulation to pay a monthly salary to the prisoner:... The salary will be paid to the prisoner from the date of his arrest... The minimum salary for a prisoner, to be paid to him from the beginning of his detention and for up to 3 years, is 1400 shekels. Prisoners who have been imprisoned between 3 and 5 years will be paid 2,000 shekels. Those imprisoned between 5 and 10 years will be paid 4,000 shekels. Those imprisoned between 10 and 15 years will be paid 6,000 shekels. Those imprisoned between 15 and 20 years will be paid 7,000 shekels. Those imprisoned between 20 and 25 years will be paid 8,000 shekels. Those imprisoned between 25 and 30 years will be paid 10,000 shekels. Those who have been imprisoned 30 years or more will be paid 12,000 shekels."

[Official PA daily *Al-Hayat Al-Jadida*, April 15, 2011]

The Palestinian Authority has stressed repeatedly that the monthly payment is not social welfare assistance for the family but a salary to the prisoners because of their actions. The following is one example among many:

"[Minister of Prisoners' Affairs Issa] Karake denies rumors about changing salaries (Arabic: rawatib) into social assistance (Arabic: i'anat ijtima'iyah)... He noted that the government headed by Salam Fayyad considers the prisoners' cause central, and has authorized regulations to support and protect them out of esteem for their sacrifice and struggle." [Wafa (the official Palestinian Authority news agency), Dec. 27, 2012]

In 2014, the PA paid prisoners and released prisoners approximately 12 million US dollars each month or \$144 million for the year:

Fatah spokesman Ahmad Assaf: “The Ministry of Prisoners’ Affairs established in the Palestinian National Authority has **the third highest monthly budget in the PA**, meaning it is the third largest PA government ministry. **That is, over 40 million shekels (i.e., \$12 million US) a month, which the Palestinian Authority pays the prisoners**, the released prisoners and their families.” [Official PA TV, June 11, 2014]

The countries donating money to the PA to help it improve living standards and develop infrastructures were outraged by PMW’s documentation that PA money was paying salaries to terrorist prisoners. The following are a few among many responses:

British MP Gordon Henderson: “Consistent with the Palestinian Authority’s policy of glorifying terrorists, the PA financially rewards terrorism by paying a monthly salary to Palestinian prisoners in Israeli prisons convicted of terror offences... I was shocked to learn that those payments are part funded by the British taxpayer. Indeed, the payments come from the PA’s general budget, into which the UK contributes more than £30 million each year... Since these payments are not explicitly given to those in need, it seems logical to assume that they are given as a form of reward for prisoners’ terror acts.” [British Parliament debate, Feb. 26, 2013]

Norwegian MP Peter Gitmark: “This is very serious and especially the fact that it almost seems to be an aid program to terror-convicted prisoners in Israel, not to mention that it increases according to the length of the sentence.” [NRK TV (Norway), Feb. 28, 2013]

Norwegian MP Hans Olav Syversen: “We think that [Foreign Minister] Barth Eide has been way too passive [about salaries to prisoners] and just listened to the PA, which has given different versions over and over. As long as we are such a significant contributor in the area, Norway ought to figure out how this actually works.” [*Dagen* (Norway), June 19 2013]

US Congressman Ted Poe: “This policy of automatically putting Palestinian terrorists on the official PA payroll is enshrined in official PA public law... In a very real sense, every US dollar given to the PA serves as an indirect American taxpayer subsidy of whatever the PA chooses to spend its money on, including activities that are illegal under US law.” [*The Jerusalem Post*, “Crime pays – for Palestinian terrorists,” March 18, 2014]

Second motion passed in Dutch Parliament (vote: 148 -2): “Noting that since 2011 the Palestinian Authority transfers money to convicted Palestinians in Israeli prisons; whereas, these funds may result in a negative incentive as crime and terrorism are rewarded; calls on the Government, also to work at the EU level, to end the Palestinian policy of payments to Palestinian prisoners...” [July 3, 2014]

When a member of US Congress suggested that the US cut back the funding to the PA based on amounts going to salaries to terrorists, Assistant Secretary of State Patterson said she knew the PA was planning to “phase it out”:

Congressman Weber: "If the PA is paying for terrorists in prison, we ought to also be willing to hit them with some economic sanctions of that sort, don't you agree?"

Assistant Secretary Patterson: "Sir, I think this obviously is a difficult problem, and when they pay the families of people that are in prison and they pay stipends, I would say that is a political prison and I frankly know that they're going to try and phase that out and we should give them an opportunity to do so."

[House Committee on Foreign Affairs' website, April 29, 2014]

For years, the PA resisted the international pressure. In 2013, then PA Minister of Prisoners' Affairs Issa Karake, at a rally under the auspices of PA Chairman Mahmoud Abbas in honor of released terrorists, even mocked the European donors for not wanting to fund terrorists' salaries:

"The Europeans want their money that comes to us to remain clean -- not to go to families of those they claim to be terrorists. They need to renounce this occupation mentality. **These [prisoners] are heroes**, self-sacrificing fighters (*fedayyeen*), and fighters who fought so that we could live in dignity." [Official PA TV Live, Nov. 4, 2013]

Finally, in August 2014, threats from the US and Europe to cut off funding forced PA Chairman Mahmoud Abbas to issue a "presidential decree" announcing that the PLO would be paying the salaries to terrorist prisoners in place of the PA:

"President Mahmoud Abbas has published a presidential decree which will turn the Palestinian Ministry of Prisoners' and Released Prisoners' Affairs from a ministry that is subordinate to the Palestinian [Authority] government into a Supreme National Commission of Prisoners' and Released Prisoners' Affairs, which will be subordinate to the PLO and supervised by it and by the Palestinian presidency (i.e., Mahmoud Abbas)." [PNN Palestine News Network (independent Palestinian news agency), Aug. 29, 2014]

As Palestinian Media Watch reported at the time, the PA openly admitted that the transfer of responsibility for the salary payments to prisoners was done because the international community conditioned continued funding of the PA on the cessation of its paying salaries to terrorists. The PA stated publically that the creation of the new PLO Commission was only a cosmetic change and reassured Palestinians that prisoners' salaries would not be affected. Donor countries to the PA had demanded that PA money not go to prisoners but apparently did not care if the PLO paid prisoners' salaries since they were not funding the PLO.

Issa Karake, former Minister of Prisoners' Affairs, who became the Director of the PLO Commission of Prisoners' Affairs, and other senior officials explained that the PA's decision to create the PLO Commission was to placate international donors.

Radio interviewer: "Would you say this formal change, in quotation marks, [from the PA to the PLO] was done or devised to avoid international pressure, which Israel pushed for?"

Director of PLO Commission of Prisoners' Affairs Issa Karake: "There was [international] pressure and a kind of war, an intense war, and monetary and financial threats towards the PA. The Palestinian leadership was subject to real pressure... And so the idea that it [salary payments to prisoners] would be part of the PLO was conceived... **President Abbas and the members of the [PLO's] Executive Committee confirmed that this change would in no way affect the importance and significance of the prisoners' issue**, neither in terms of politics and the struggle **nor in terms of the services.**" [Ajyal Radio (independent Palestinian station), Aug. 30, 2014, emphasis added]

PA government spokesman Ehab Bessaio: "The change of the Ministry of Prisoners' Affairs into the Commission of Prisoners' Affairs... **will provide political and legal cover for this issue.** In addition, it eliminates the many arguments made by many parties, who always try to say that [foreign] aid money [to the PA] is going to the prisoners."

PA TV host: "None of the prisoners' rights will change. Only the name has changed. Instead of calling it "Ministry," we call it "Commission," but the [prisoners'] salaries will continue to flow, everything will continue - all the allowances... People are concerned about their livelihood; that it may be cut off. We clarify it for them that nothing will harm the prisoners; their rights - **under a ministry that became a commission - will remain the same.**"

PA government spokesman Ehab Bessaio: "If you want me to put it simply, then yes, that was [put] simply." [Official PA TV, June 5, 2014]

Deputy Minister of Prisoners' Affairs Ziyad Abu Ein:

"The decision [to create the PLO Commission] is the PA's response to Israeli pressure to which it has been subjected for a long time, specifically, non-stop criticism of the [PA's] support of the prisoners, which it [Israel] considers 'support of terrorism'..."

Deputy Minister of Prisoners' Affairs Ziyad Abu Ein...: "The announcement about cancelling this ministry is only a matter of time... The current responsibilities of the [PA] Ministry will be transferred to it [the Commission]."

Deputy Minister of Prisoners' Affairs [Abu Ein] emphasized that the prisoners' and released prisoners' affairs portfolio 'will be transferred to the PLO leadership... and that **this would also avoid the pressure being exerted on the PA by the donor countries, which oppose the transfer of their money to prisoners...**'"

[Wattan News Agency, May 31, 2014]

PA press also stressed it was because of threats to cut off funding:

"The new situation would make possible the provision of new resources to support prisoners' issues, **without allowing forces of the US Congress or some European parliaments to attempt to blackmail the PA or to take steps against it.**" [Al-Ayyam, June 1, 2014]

Significantly, Mahmoud Abbas continues to be the main authority in charge of prisoners' salaries, and he authorizes all salary decisions and regulations.

In spite of this evidence showing that the changes were merely cosmetic, the international community accepted the PA's assurances that it was no longer paying the salaries to terrorist prisoners. The Dutch Ministry of Foreign Affairs issued the following statement:

"The responsibility for payments to prisoners was transferred to the PLO and **will no longer be charged to the budget of the PA, and these [payments to prisoners] are not funded by PA tax revenues or donor funds. The PLO pays such costs from their own income**, where the [Dutch] Cabinet has no access. The PLO requests this from Arab donors. The PA is responsible for the payment of salaries for civil servants, [from] the payroll of the PA. This uses the PA's own income. In addition, a portion of the salaries and benefits paid to Palestinian officials come from donor contributions, especially through the EU PEGASE mechanism." [Question and Answer session, Dutch Ministry of Foreign Affairs, April 22, 2015]

The Dutch Government's statements that these salaries "**are not funded by PA tax revenues or donor funds,**" and that "**the PLO pays such costs from their own income,**" shows that donors understood from the PA that PA money was no longer involved in any way in paying salaries to terrorist prisoners. The new arrangement was satisfactory for the donors, who did not want to fund the PA if the PA was funding terrorists.

However, the creation of the new PLO Commission was merely a façade to hide the fact that PA money is still paying the salaries to imprisoned terrorists.

The following are reports from official PA media and statements by PA, PLO, and Fatah officials that document that under PA law and in practice, the PA is still responsible for and is still paying the terrorist salaries:

1. Two months after the PLO Commission of Prisoners' Affairs was set up and the PA claimed to have stopped paying salaries to terrorist prisoners, the official PA daily *Al-Hayat Al-Jadida* announced that the PA still pays salaries to prisoners:

"The number [of public employees] currently registered in the General Workers' Office comes to approximately 175,000. Yet the total number of **recipients of government salaries exceeds 200,000 – if one includes the families of the Martyrs (Shahids) and wounded, as well as the prisoners' and released [prisoners'] pensions** – it constitutes approximately 65% of the Palestinian government's monthly expenditure."

[Official PA daily *Al-Hayat Al-Jadida*, Oct. 8, 2014]

2. In January 2015, six months after the PA claimed to have stopped paying salaries to terrorist prisoners, the PA was criticized by Hamas for not spending enough of the PA budget on the Gaza Strip. In response, the PA Ministry of Finance defended itself by listing all the money it pays to the Gaza Strip, including salaries to prisoners from Gaza:

"We in **the [PA] Ministry of Finance** believe that it is necessary to clarify that in practice, we transfer no less than 47% of our budget for the benefit of our brothers in the southern districts (i.e., the Gaza Strip). These **expenses include the salaries of**

over 63,000 civilian and military employees, **as well as the salaries of the prisoners, the released [prisoners]** and the families of the Martyrs (*Shahids*) and wounded.” [Official PA daily *Al-Hayat Al-Jadida*, Jan. 6, 2015, emphasis added]

3. In March 2015, the coordinator of the independent NGO, the Committee for Prisoners and Released Prisoners' Affairs, Husni Zalum stated explicitly that the PA Ministry of Finance still had total responsibility for the salary payments to prisoners. The PA and not the PLO was making the decisions about how much of the salary would be paid to prisoners, when it would be paid, and how it would be paid.

“Coordinator of the Committee for Prisoners and Released Prisoners' Affairs Husni Zalum said that **the salaries of the prisoners and released prisoners in the occupation prisons will be paid** through the banks at noon today. Zalum told the Wattan News Agency that they had been **notified by the [PA] Ministry of Finance about this, and that it [payments] would be made the same way as last month:** A full salary will be paid to those entitled to less than 2,000 shekels per month, **while 60% of the basic salary** will be paid to those receiving a salary above 2,000 shekels.” [Wattan News Agency, March 5, 2015, emphasis added]

This reduction of salaries was because Israel was withholding tax money from the PA. Clearly, it was the PA Ministry of Finance that was paying the salaries, not the PLO, and the 60% cut in salaries was determined by the PA, based on the money it had available following the cut in PA revenues. The 60% salary pay for prisoners was identical to the cut in pay to all PA “civil servants,” which had been announced the day before:

“The Ministry of Finance Wednesday announced that **civil servants will only receive 60% of their salaries** for February [2015], as Israel continues to withhold the tax revenues it collects on behalf of the Palestinian Authority for the third month in a row.”

[Wafa English edition, official PA news agency, March 4, 2015]

Were the prisoners' salaries being paid by the PLO from sources other than the PA, as claimed by the PA and told to donor countries, the PA's cut in revenues would not have affected the prisoners' salaries.

4. An article in the official PA daily in 2015 explained that it is the PA Government and the PA Ministry of Finance and not the PLO who are responsible for and determine the conditions under which salaries are paid to prisoners:

“[The Released Prisoners'] Committee spokesman Omar Afaneh told *Al-Hayat Al-Jadida* that the Committee had come to an agreement **with representatives of the [PA] government... according to which, salaries would continue to be paid according to the legal criteria that was previously agreed upon**, without any changes or additions to the previous agreement... Afaneh noted that the dispute centered on the **conditions the [PA] Ministry of Finance recently set** on the released prisoners...”

[Official PA daily *Al-Hayat Al-Jadida*, Jan. 27, 2015, emphasis added]

5. A statement from Issa Karake, the former PA Minister of Prisoners' Affairs who became Director of the PLO Commission of Prisoners' Affairs, shows that the PLO Commission's employees' salaries as well are paid by the PA Government:

“[PLO] Commission of Prisoners and Released Prisoners' Affairs Director Issa Karake called on the [PA] government to pay the salaries of the Commission's employees - in Gaza. Karake directed his appeal to [PA] Prime Minister Rami Hamdallah, stressing that the Commission's employees in Gaza had not been paid their salaries this month.”

[Ajyal Radio (independent Palestinian station), March 6, 2015]

6. Another indicator that the new PLO Commission is not really new but merely the PA Ministry of Prisoners' Affairs with a different name is that the “new” PLO Commission of Prisoners' Affairs uses the same website as did the PA Ministry of Prisoners' Affairs, with the same URL: www.freedom.ps. The difference is the new name and a new banner on top of the site.

7. In December 2015, an internal dispute started within the PA, when the PA decided to stop the salary payments to a number of prisoners and released prisoners for various reasons. Some were determined to have been imprisoned for criminal offenses and not terror related offenses (see quote below). The debates, complaints, and statements by PA officials and the PLO Commissioner of Prisoners' Affairs again show that **the PA Ministry of Finance and not the PLO decides and allocates the money for the salary payments. Even the head of the PLO Commission of Prisoners' Affairs, Issa Karake, personally complained to the PA Ministry of Finance** over the PA's decision not to implement payments to prisoners. If Karake the Director of the PLO Commission of Prisoners' Affairs was indeed paying salaries to prisoners from non-PA sources, he would have no reason to complain to the PA Ministry of Finance. In addition, when released prisoners were protesting about changes in rules and conditions for salary payments, they protested in the offices of the PA Ministry of Finance and not in the offices of the PLO Commission of Prisoners' Affairs.

“Director of [PLO] Commission of Prisoners' Affairs Issa Karake attacked the [PA] Ministry of Finance today [Dec. 8, 2015] for stopping the payment of salaries of some of the released prisoners... **Karake clarified that as director of the [PLO] Commission [of Prisoners' Affairs], he will not allow the prisoners to suffer injustices... the director of the Commission emphasized that he will not accept that the Ministry of Finance stops paying the salary of a prisoner who suffers from total medical disability...** Karake added that most of the people have relatives who are Martyrs (*Shahids*) or prisoners, **and emphasized that it is the government's responsibility to take care of them.** He said: ‘I do not believe that President Mahmoud Abbas is aware of what is happening’... **Karake emphasized that the [PA] law for prisoners and released prisoners must be implemented.”**

[Ma'an, independent Palestinian news agency, Dec. 8, 2015]

“Secretary-General of the [PA] government Ali Abu Diyak stated that the government is obligated to provide all of the services to its people... and to pay the needs of Martyrs' families, and the needs and salaries of prisoners in

the Israeli occupation's prisons, and released prisoners, according to the law... The government will not pay public funds to people who are not entitled to them... **the prisoners' salaries are paid to the fighter prisoners, who were arrested due to their national struggle, and not to other [criminal prisoners]... it [the government] will not pay allowances and salaries to criminal prisoners** and others that are not included in the framework of the law."

[Official PA daily *Al-Hayat Al-Jadida*, Dec. 10, 2015, emphasis added]

Headline: "PA cuts salaries of 60 former prisoners of Israel"

"The Palestinian Authority this week cut the monthly salaries of more than 60 former Palestinian prisoners in the occupied West Bank, the Palestinian Prisoners' Society (PPS) told Ma'an... A spokesperson with the PPS explained that prisoners who become sick in Israeli prisons qualify for monthly salaries from the PA, however the Ministry of Finance has blocked those salaries as well...

'These salaries come under the responsibility of the PA to take care of the people who spent several years of their lives in Israeli prisons,' a PPS spokesperson said.

'It's for their families and their children. Israel says these payments are going against peace, and the Israeli government is always pushing Europe and other foreign aid donors not to donate to the PA because they say the PA is giving money to terrorists, but we know these people are our resistance fighters and the PA is required to take care of them.'

In response to the cut salaries, several former prisoners on Wednesday held a **sit-in at the PA Ministry of Finance** headquarters in Ramallah city, and announced that they would go on hunger strike if their salaries were not renewed.

The prisoners denounced the PA's actions, calling the salary cuts illegal.

By law, the PA is required to pay monthly stipends to Palestinians who served time in Israeli prisons. The salaries are based on a sliding scale mainly depending on the amount of time a former prisoner served in Israeli jails."

[Ma'an (independent Palestinian news agency) Dec. 17, 2015, emphasis added]

It is clear from all these sources that the PA Ministry of Finance is responsible and allocating the money for the salaries to terrorist prisoners. When the PLO Commission of Prisoners' Affairs needs money for salaries it complains to the PA.

Additional data from the PA Ministry of Finance - January 2016

Palestinian Media Watch has discovered how the Palestinian Authority may be trying to hide its salary payments to terrorist prisoners from the donor countries. The year the PLO Commission was established, the PA raised the amount it transfers annually to the PLO by an amount similar to the budget of the now closed PA Ministry for Prisoners' Affairs, which paid the salaries in previous years. This is yet another indicator that in reality the money for salaries is still coming from the PA and by proxy from the donor countries.

The PA yearly budget includes money transfers to the Palestinian National Fund (PNF), which is the financial body that funds the PLO.

According to the PA Ministry of Finance documents that PMW has seen, in 2015, after the Ministry of Prisoners' Affairs was closed, the PA raised its annual transfer to the PLO via the PNF by 481 million shekels:

2014 PA transfer to PLO (via PNF) - 294 million shekels
2015 PA transfer to PLO (via PNF) - 775 million shekels.

Why would the PLO suddenly have a 481 million shekels rise in its expenses from 2014 to 2015, a 150% rise?

Looking at the PA payments to prisoners can explain it.

The PA Ministry of Finance documents shows that the budget of the PA Ministry of Prisoners' Affairs during the years 2012, 2013, and 2014 was 367,354,000; 424,312,000; and 442,807,000 shekels respectively, which included the salary payments of approximately 5,000 terrorist prisoners and many more released prisoners.

In 2015, after the Ministry of Prisoners' Affairs was closed, the PA gave an additional 481 million shekels to the Palestinian National Fund (PNF) for the PLO. Significantly, this figure equals the amount the PA paid for salaries to prisoners in 2014 (442 million shekels), plus 10% normal yearly rise. In 2015, instead of paying terrorists' salaries directly, the PA transferred 481 million shekels (\$128 million) to the PNF, which transferred it to the PLO, which gave it to the PLO Commission of Prisoners' Affairs, which then paid the salaries to the terrorists.

The source of the money for the terrorist prisoners' salaries, remains, in contradiction to the PA's promises to donor countries, the Palestinian Authority. By having Palestinian Authority money travel these steps before it paid terrorist prisoners' salaries, the PA as the source of the funding could be missed by the donor countries. However, these figures substantiate all the statements by PA officials in this report, reiterating that the source of the funding of salaries to terrorist prisoners remains the Palestinian Authority.

Conclusion:

This report documents that the PA's creation of a PLO Commission of Prisoners' Affairs to supply the same services previously supplied by the PA Ministry of Prisoners' Affairs, was done solely to satisfy Western donors' demands that the PA cease paying salaries to terrorist prisoners. This report further documents that the creation of the PLO Commission of Prisoners' Affairs has not changed the PA law or the PA policy of paying salaries to terrorists. The PLO Commission was created to deceive international donors, who do not want the PA to give salaries to terrorists and certainly do not want their own money given in good faith to be used to reward terrorists. The numerous statements by PA and PLO leaders, the PA Ministry of Finance, and others documented in this report, all show that the PA is responsible and in practice funds the salaries. In addition, the documents from the PA Ministry of Finance indicate a money trail from the PA to the PLO to fund the salaries.

As a result of the PA's deception of the donor countries, they continue to give the PA approximately one billion dollars in aid, while the PA continues to pay salaries to terrorists in prison.

Appendix

According to PA law, Abdallah Barghouti is among those receiving a PA terrorist salary:



[Facebook, "Fatah - The Main Page," July 22, 2013]

Abdallah Barghouti - serving 67 life sentences for preparing explosives for terror attacks in which 67 people were murdered: Sbarro restaurant (15 killed, Aug. 9, 2001, Jerusalem), Sheffield Club (15 killed, May 7, 2002, Rishon LeZion), Moment Café (11 killed, March 9, 2002, Jerusalem), triple attack at Ben Yehuda pedestrian mall (11 killed, Dec. 1, 2001, Jerusalem), Hebrew University (9 killed, July 31, 2002, Jerusalem), and Bus 4 in Tel Aviv (6 killed, Sept. 19, 2002). He was arrested in March 2003.

By now, having been imprisoned for 13 years, Barghouti should be receiving **6,000 shekels/month** according to PA law.

According to PA law, Ibrahim Hamed is among those receiving a PA terrorist salary:



[Official PA TV, Oct. 26, 2012]

Ibrahim Hamed - Hamas military leader serving 54 life sentences for orchestrating suicide attacks that killed a total of 46 Israelis. These attacks included the bombings at the Hebrew University cafeteria (9 killed, July 31, 2002), Moment Cafe (11 killed, March 9, 2002), Hillel Cafe (7 killed, Sept. 9, 2003), Zion Square in the center of Jerusalem (11 killed, Dec. 1, 2001), and others. He was arrested in May 2006.

By now, having been imprisoned for 10 years, Hamed should be receiving **4,000 shekels/month** according to PA law. In fact, Hamed will be getting a raise next month when entering his 11th year imprisonment, as the salary goes up to **6,000 shekels/month**.

According to PA law, Abbas Al-Sayid is among those receiving a PA terrorist salary:



[Official PA TV, May 23, 2003]

Abbas Al-Sayid - serving 35 life sentences for planning two suicide bombings, one at a Passover dinner at the Park Hotel in Netanya (30 killed, March 27, 2002) and another outside a shopping Mall in Netanya (5 killed, May 18, 2001). He was arrested in May 2002.

By now, having been imprisoned for almost 14 years, Al-Sayid should be receiving **6,000 shekels/month** according to PA law.

According to PA law, these 5 Hamas murderers are among those receiving a PA terrorist salary:



[Photo: Ynetnews, Oct. 5, 2016]

The 5 murderers of the Henkin couple - Israelis **Naama and Eitam Henkin** were murdered in a shooting attack on Oct. 1, 2015, on the road between Itamar and Elon Moreh near Nablus. Their four children, aged 9, 7, 4, and 4 months, were also in the car and witnessed the murders, but were not physically injured. Five members of a Hamas terrorist cell were arrested by Israel and confessed to the murders. They are Ragheb Ahmad Muhammad Aliwi, Yahya Muhammad Naif Abdallah Hajj Hamad, Samir Zuheir Ibrahim Kousa, Karam Lutfi Fathi Rizq, and Ziad Jamil Amer. They were arrested in October 2015.

The Henkin murderers should be receiving 1,400 shekels/month according to PA law.