

PMW Special Report

Is the PA lying to Western donors?

**PA claims to have stopped paying salaries to prisoners;
PMW's evidence shows otherwise**

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2011

PMW exposes that the PA pays high salaries to terrorists in prison

2012 -2014

Western donors threaten to stop funding the PA because of this policy of rewarding murderers

August 2014

PA issues "presidential decree" that salaries to terrorist prisoners would no longer be paid by PA but by PLO

2015

Western donors are giving the PA more than a billion dollars, with the understanding that the PA has stopped paying salaries to terrorists

May 2015

PMW documentation challenges PA claim:

- The PA Ministry of Finance continues to pay salaries to terrorist prisoners**
- PA continues to set conditions for the salaries to terrorist prisoners**

Conclusions

- Western donors may have been intentionally misled by the PA, which continues to pay salaries to imprisoned terrorists**

Executive Summary

The Palestinian Authority receives over a billion dollars in international aid yearly. Several EU countries and the US have been threatening to stop this funding ever since Palestinian Media Watch exposed in 2011 that the PA pays high salaries to terrorist prisoners and released terrorists, amounting to over \$150 million dollars in 2015 alone. For example, in June 2014, Dutch Parliament voted overwhelmingly, 148 – 2, in favor of demanding the cessation of PA salaries to terrorists. (Text below)

In order to continue receiving donor funding, in August 2014, the PA closed the PA Ministry of Prisoners' Affairs and announced the establishment of a new PLO Commission of Prisoners' Affairs, which they claimed would pay the salaries.

However, the PLO Commission was new only in name. The PLO body would have the same responsibilities and pay the exact same amounts of salaries to prisoners; 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 below)

In spite of these mere cosmetic changes, the international community accepted PA assurances that it was no longer paying the salaries to terrorist prisoners. For instance, see 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 Cabinet has no access.”

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

Palestinian Media Watch has now uncovered ample evidence that contradicts the PA assurances to the Dutch and other donors. PMW's findings are based entirely on information supplied by the PA:

- In October 2014, the PA announced that there were more than 200,000 recipients of PA salaries. This figure “includes the families of the Martyrs (*Shahids*) and wounded, **as well as the prisoners' and released [prisoners].**” (All sources below in full report)
- In January 2015, the PA Ministry of Finance announced that the PA budget includes transfer of salaries to prisoners in Israeli jails, who were from Gaza.
- When Israel withheld PA tax income in the first months of 2015, the PA announced that prisoners receiving up to 2,000 shekels in salary a month would continue to receive their full salary and those receiving more than 2,000 shekels would only receive 60% of their salary -- the same reduction that was imposed on civil servants. Were the PLO paying salaries from Arab donor money and not the PA, Israel's holding up PA money would have no impact on terrorist prisoners' salaries. Clearly, it is still PA money paying terrorist prisoners' salaries.

Western donors should ask the following question: Was the new PLO Commission of Prisoners' Affairs created for the sole purpose of deceiving Western donors regarding the payment of salaries to terrorists?

The following report documents the evidence.

The Report

In 2011, Palestinian Media Watch exposed that the PA pays high salaries to terrorist prisoners every month. 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 dollars) a month, which the Palestinian Authority pays the prisoners, the released prisoners and their families." [Official PA TV, June 11, 2014]

The international community who funds the PA was outraged by PMW's documentation and demanded that the PA stop using donor money to fund terrorists.

Motion passed in Dutch Parliament: "The [Dutch] parliament... noting that since 2011 the Palestinian Authority has been giving money to convicted Palestinians in Israeli prisons... calls on the [Dutch] Government in its contacts with the Palestinian Authority to demand it stop this support..."
[Nov. 27, 2013]

Second motion passed in Dutch Parliament: "... 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]

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]

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]

For years, the PA resisted 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, 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 (*fedayeen*), 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 [PLO] 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]

The PA had announced to its donors that it stopped paying terrorist prisoners salaries.

As Palestinian Media Watch reported at the time, the PA openly admitted that this was done because the PA feared losing foreign funding. 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.

Issa Karake, the Minister of Prisoners' Affairs, became the Director of the PLO Commission of Prisoners' Affairs, and this is how he described the PA's decision to create the PLO commission to placate international donors:

TV interviewer: "Would you say this formal change, in quotation marks, [from 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: "One of the reasons, yes. We're speaking honestly. **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, but of course it refused to submit to all this pressure. We told them [international donors] it was a matter of freedom, a matter of fighter-prisoners, a matter of a national liberation movement, and so the idea that it 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** [to the prisoners]."

[Ajyal radio (independent Palestinian station), Aug. 30, 2014, emphasis added]

PA Chairman Mahmoud Abbas continues to be the actual authority in charge of prisoners' salaries, and he authorizes all salary decisions and regulations:

"His Excellency President Mahmoud Abbas authorized the work regulations of the [PLO] Commission of Prisoners' Affairs, which was phrased before it changed from a government ministry to a commission belonging to the PLO."

[Official PA TV, May 9, 2015]

In spite of this evidence that the changes were merely cosmetic, the international community accepted PA assurances that it was no longer paying the salaries to terrorist prisoners.

The Dutch government's statement about the salaries shows that donors saw this as satisfactory:

"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 Cabinet has no access. The PLO requests this from Arab donors. The PA is responsible for the payment of salaries for civil servants, [who are paid from] the payroll of the PA. This uses the PA's own (tax) 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]

It seems the creation of the new commission was merely a façade to hide the fact that the PA and the PA Ministry of Finance, which receive the foreign donor money, are still responsible for paying the salaries to imprisoned terrorists.

The following are news reports from official PA media and statements by PA, PLO and Fatah officials that document this:

1. Two months after the PLO commission was set up and the PA claimed to have stopped paying salaries to terrorist prisoners, the official PA daily announced that the PA still pays salaries to prisoners and released prisoners, prisoners' families, and families of Martyrs:

“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.**” [*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 Gaza strip, including salaries to prisoners:

“We in **the 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.**” [*Al-Hayat Al-Jadida*, Jan. 6, 2015, emphasis added]

3. In March 2015, the coordinator of the Committee for Prisoners and Released Prisoners' Affairs Husni Zalum stated explicitly that: 1- the PA Ministry of Finance and not the PLO, is still paying salaries to terrorists, 2- because Israel was withholding tax money, prisoners would receive only 60% of their salaries, just like the PA civil servants.

“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 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]

As stated, the 60% figure of salaries that the PA determined to pay to terrorists is identical to the figure it chose to pay all PA “civil servants,” indicating that the PA has continued in 2015 to reward prisoners with salaries and treat them as it treats all its employees. The following is the report from WAFA, the official PA news agency,

about the 60% deduction in salaries, one day before the announcement regarding prisoners cited above:

“The Ministry of Financial Affairs (MFA) Wednesday announced that civil servants will only receive 60% of their salaries for February, as Israel continues to withhold the tax revenues it collects on behalf of the Palestinian Authority for the third month in a row.

Those who receive a salary of 2,000 shekels (\$500) or less will receive a full salary, said an MFA spokesperson, while those who receive more than 2,000 shekels will only receive 60% of their salary, remaining above the 2,000 shekels limit... Israel has been withholding PA's tax revenues for two months now, in retaliation to President Mahmoud Abbas' accession to 20 international treaties, including the International Criminal court (ICC).”

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

Were the prisoners' salaries being paid by the PLO, Israel's withholding tax money from the PA would not have affected the prisoners' salaries. The PA's inability to pay salaries to prisoners during the period that Israel withheld PA tax money is further proof that the PA is still paying the salaries.

4. An article in the official PA daily explained that it is the PA government and the PA Ministry of Finance and not the PLO that determines 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...” [Al-Hayat Al-Jadida, Jan. 27, 2015, emphasis added]

5. A recent statement from Issa Karake, the former PA Minister of Prisoners' Affairs who became Director of the new PLO Commission of Prisoners' Affairs, shows that the PLO Commission is not funded independently but that its salaries are paid directly by the PA. According to Karake's statement, the employees of the PLO Commission are also paid their salaries directly from 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 station, March 6, 2015]

6. Another indicator that the new PLO commission is not really new but merely the PA Ministry 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 only difference is the new name and a new banner on top of the site.

This is not the first time that Palestinian Media Watch has exposed that the PA is deceiving donor countries. In 2013, PMW released a report documenting that the PA was lying to UK and Norway, claiming that the salaries to terrorists were “social welfare” for their families. PMW documented that the attempt to redefine the prisoners’ salaries as “social welfare” led to an outraged response from the PA leadership, prisoners’ groups, and parts of the Palestinian public. The outrage only ended when the PA assured Palestinians that the payment would continue to be called “salaries” and paid “out of esteem for their sacrifice and struggle.” [Wafa (the official Palestinian Authority news agency), Dec. 27, 2012]

Conclusion:

This report exposes that the PA’s creation of a PLO Commission of Prisoners’ Affairs to fulfill 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 existence of the PLO Commission has not changed the policy of paying salaries to terrorists. The PLO commission may have been created for the sole purpose of deceiving the European donors, who don’t want their money to the PA to be used to reward terrorists.*** The PA continues to reward and pay salaries to terrorists in prison in spite of European and US demands that donor money to the PA not be used to reward terrorists.