

RELEASE IN PART
B5,B6

From: Sullivan, Jacob J <SullivanJJ@state.gov>
Sent: Monday, January 9, 2012 12:37 PM
To: H
Subject: FW: HRC friend

FYI latest.

From: Cretz, Gene A
Sent: Monday, January 09, 2012 10:10 AM
To: Feltman, Jeffrey D; Sullivan, Jacob J
Subject: RE: HRC friend

jeff thanks for reminding me. The Al-Keab government is clearly facing many crises, the major one being the inability so far to implement what appeared to be fairly detailed plans by Minister of Interior Fauzi and Minister of Defense Juwaili to incorporate 25k thuwar each (total 75k) into the security forces, armed forces and into the private sector (jobs, training, education). the main obstacles appear to be inability to implement plans by any of the GOL ministers so far and lack of funds although we hope there will be a solution to that soon. Also, none of the militias appears willing to budge without seeing some proof that others are also willing to do so.

I am not sure about HRC contact ascribing these problems mainly to Bel-Haj, whose star we believed had fallen over the past several weeks. The Islamists are demanding their share of the political pie like everyone else—no more and no less. I met with a Libyan contact yesterday who had just met with an Islamist-led militiaman from Zintan. The leader of this group demanded that women's role be inscribed in the constitution as per Sharia'-if that did not happen this guy threatened to take up arms again. Sarkis—the new but now deposed Economy Minister is an example of the power of the street and different voices clamoring for different things. He was a technocrat whom we dealt with in the past but because of the perception that he was "part of the old regime" he had to go even though al-Keab regretted the decision since Sarkis was an able technocrat. So, the bottom line is that the disarming and reintegration of the militias is not going as well as we would have liked though the Minister of Interior told me on the margins of the PM discussion with DDCI Morrell today that things on that score were going "well." One positive ray of light is that Tripoli Local Council reps told us today that they had begun registering thuwar to determine which of the three possible categories they could stream into. Another disturbing trend which may be happening is the emergence of organized crime perhaps fueled by old regime elements including Snussi and al-Baghdadi. According to [redacted] MOI sources have expressed real concern about an unholy alliance of former Qadhafi loyalists, criminals who escaped from prison, and odd assortments of different thuwar. They are apparently getting money, terrorizing the cities by night and engaging in human trafficking, drugs, gunrunning and alcohol backed by old regime money. The motivation would be economic and political (creating chaos and undermining stability). Our Legatt reps will meet with the e the Brits tomorrow to see if we can respond to MOI request for help in training a team to deal with this possible new and troubling phenomenon. Not sure whether this crime phenomenon is connected to the murder of my good friend Hugo deSamie, a french businessman who had been involved in deals with the old regime and was back trying his hand with the new group.

B6

[redacted]

[redacted] it is not clear whether he will survive given the intense pressure the PM is coming under from the eastern Obeidi tribes—they want one of theirs in the position as compensation for the murder of Yusuf Obeidi.

B5

So bottom line, there is ferment and things are not progressing as fast and as far as we would like. But let's not panic yet—the PM is well-intentioned and the ministers are able people if they can get the means to implement their plans. I told the PM today that we could help in various areas and that we could be as discrete as need be in light of his formidable political vulnerabilities. By the way, he may be planning to visit Washington and NY end of January—early February period.

From: Feltman, Jeffrey D
Sent: Mon 1/9/2012 2:35 PM

To: Cretz, Gene A
Subject: FW: HRC friend

Gene, if you responded to Jake, could you forward me your response? I'd be interested.

Jeffrey Feltman
Assistant Secretary
Bureau of Near Eastern Affairs
Department of State
202-647-7209

From: Sullivan, Jacob J
Sent: Friday, January 06, 2012 3:25 AM
To: Feltman, Jeffrey D; Cretz, Gene A
Cc: Burns, William J
Subject: HRC friend

Another friend of HRC's offers the following assessment/report from a source. HRC interested in your views.

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

1. During the last week of December 2011, and the first week of 2012, Libya's Prime Minister Abdurrahim el-Keib and President Mustafa Abdul Jalil engaged in a series of emergency planning meetings attempting to deal with specific issues threatening the stability of the new National Transitional Council (NTC) Government. According to extremely sensitive sources speaking in strict confidence, paramount among these issues are the questions of disarming and rewarding the regional militias who bore the majority of the fighting against the regime of Muammar al Qaddafi, as well as the related issue of finding ministers and senior administrators for the new government who are acceptable to these revolutionary forces. These individuals noted that on four occasions, beginning on December 23, 2011, groups of angry militiamen came to el-Keib's office and demanded better treatment, a clear message of support for the role of Islamic law, and the removal of former Qaddafi advisors from the new government.

2. (Source Comment: In the opinion of a very sensitive source, el-Keib is genuinely concerned that this situation could spiral out of control and threatens the regime. He also suspects that much of the unrest is being stirred by General Abdel Hakim Alamin Belhaj and his conservative Islamist supporters. By staying out of the new government, Belhaj has established a position from which he can criticize their actions and appointments without concern or control. That said, el - Keib has been told by his contacts in the Moslem Brotherhood (MB) that even Belhaj has been surprised that the unrest in the militias has begun to manifest itself in fighting between groups that previously shared the same goals and operated under Belhaj's loose command. This is particularly true in the case of the increasingly violent conflicts between the Misrata and Zintan regional militias.)

3. In an effort to address these problems el-Keib is making changes in his new administration, removing Minister of Economics Taher Sherkaz, who, as a former economic advisor to Qaddafi, was a particular target of the militiamen. In the opinion of well informed individuals, el-Keib's closest and most influential advisors are experts with economic backgrounds and experience dealing with Western firms and governments. The most influential of this group are Minister of Oil Abdulrahman Ben Yezza, Minister of Finance Hassan Ziglam, National Oil Company chief Nuri Berrusien, and Ngeb Obeda from the Libyan Stock Exchange.

4. (Source Comment: In the opinion of a very sensitive source, el-Keib and Jalil are also very concerned over growing criticism that these technocrats are puppets of various Western governments and firms. Belhaj and the militiamen appear intent on limiting the influence of these Western entities, using them as a weapon to weaken the el-Keib regime. This trend is also affecting national security, where, despite el-Keib's efforts to maintain a balance between the Islamists, regional commanders, and the national army, a potentially dangerous conflict has arisen over the position of Chief of Staff of the National Army. El-Kieb, according to this individual, believes that he must settle this matter in short order to avoid provoking security concerns among foreign allies and businesses contacts.)

5. According to a knowledgeable individual, in late December 2011 el-Kieb resisted efforts by General Khalifa Belqasim Haftar to establish himself as the Chief of Staff of the National Army. Haftar, who lived in the

United States for many years and is believed by Belhaj and others to have a relationship with the U.S. Government, is using his popularity among the officer corps of the regular NTC army to support his claim to be Chief of Staff. This produced heated protests from militia leaders and in late December 2011 el-Keib named deputy Minister of Defense Colonel Yussef al-Mangoush, to be Chief of Staff. In the opinion of one source, this is a problematic choice, since el-Keib is replacing the supposedly pro-American Haftar with al-Mangoush who commanded one of Qaddafi's elite Special Forces units, even after the revolution began. This individual believes that el-Keib's decision was driven by personal animosity toward Haftar, and the influence of Minister of Defense Osama al-Juwali. The situation is far from resolved, as Haftar and his supporters, particularly in the Benghazi garrison, continue to claim that the General is the true Chief of Staff. El-Keib and al-Juwali are working to reconcile all of the elements in this conflict as quickly as possible, before the supporters of the two claimants begin fighting. In the meantime, el-Keib has stated in private that he fully expects Belhaj to attack al-Mangoush, but the Prime Minister believes that the Colonel is the only officer strong enough to disarm the militias and avoid a civil war.

6. At the same time, a very sensitive source added that el-Keib and Jalil are attempting to reconcile the fighting between Misrata and Zintan forces in Tripoli by naming Misrata leader Fawzi Abd Ali as Minister of the Interior and al-Juwali, who was commander of the Zintan militia, as Minister of Defense. To date, according to this individual, this effort has met with limited success, as the fighting has continued and the militias are refusing to disarm until their demands regarding living standards are met.

7. (Source Comment: One very sensitive source noted, that el-Keib is aware of the fact that he is running out of time to stabilize the situation in Libya. He believes that if he does not disarm the militias and meet their demands in the next six months there is a good chance of increased fighting among rival groups that could lead to civil war. In any event, he realizes that the ongoing instability will cause Western governments, firms, and banks, to hesitate before committing themselves to long term relationships with Libya. El-Keib believes that Belhaj and his advisors have made the same judgment, and are waiting to fill any vacuum created by this violence, by establishing a conservative Islamic Republic.)