

RELEASE IN FULL

CONFIDENTIAL

May 5, 2011

For: Hillary
From: Sid
Re: French economic grab/Levy/Q & OBL/AQ base in Algeria

Latest:

On the morning of May 5, 2011, individuals with access to the leadership of the Libyan rebellion's ruling Transitional National Council (TNC) stated in strictest confidence that In mid-April, 2011 the French Air Force, in an operation organized in cooperation with the French Ministry of Foreign Affairs, began bringing medical and other humanitarian supplies to the TNC led rebels in Benghazi, using civilian aircraft. The flights began on April 13 with a cargo including 9 tons of medical supplies. At the same time, these sources add that these flights are bringing in representatives of major French corporations, as well as officers of the French General Directorate for External Security (DGSE), all of whom are looking to establish working relationships with the rebel leaders as they move toward becoming the government of Libya.

The initial flight included executives from the French oil company **TOTAL**, the large construction firm **VINCI** and the **European Aeronautic Defence and Space Company N.V. (EADS)**. The aircraft for the operation are provided by **AIRBUS**, which is a subsidiary of EADS. Subsequent flights have carried representatives from the conglomerate **THALYS** and other large French firms, all with close ties to the government of President Nicolas Sarkozy. After meeting with the TNC these French business executives leave discreetly by road, via Tobruk to Egypt. These convoys are organized and protected by para-military officers of the Special Action Group/DGSE, who also use these visits to establish contacts in the intelligence units of the rebel army under the command of General Abdul Fatah Younus, who, according to these sources, has longstanding ties to the DGSE.

This operation is the idea of Bernard Henri Levy, a private advisor to Sarkozy, who has been involved with the Libyan rebels since the beginning of unrest in February 2011. According to these knowledgeable individuals, while no contracts were signed in the first series of meetings, Levy arrived again in Benghazi on April 22nd, and obtained the signature of the appropriate TNC leaders on a Memorandum of Agreement, establishing the fact that French firms will receive

favorable consideration in all future business matters. According to knowledgeable individuals, Levy, speaking in polite terms, made it clear to the TNC officials that they owed a debt to France for their early support, and that Sarkozy needed something tangible to show to the leaders of France's business and political communities in return. Both sides agreed to handle the agreement discreetly for the time being, not wanting to anger other countries involved with the rebels.

Levy closed by telling a small group of rebel leaders that Sarkozy was criticized privately by leaders of the French Jewish community for becoming involved with the rebels before determining their policy toward Israel, adding that this agreement would help deflect these complaints in Paris. The rebel leaders assured him that they were completely focused on fighting the forces of Muammar Qaddafi and his sons. They did point out, however, that early in the uprising they had allowed the Israeli navy to enter Tobruk harbor and evacuate Palestinian laborers stranded there in the first days of fighting.

(Source Comment: Sources with excellent access to the DGSE state that Levy is using his status as a journalist to provide cover for his activities. However, he is working under direct orders from Sarkozy. DGSE and French Military officers involved in the Libyan rebellion complain about Levy's status as a "gifted amateur" but admit that he is very effective in dealing with the rebels, while carrying Sarkozy's complete trust.)

Also on May 5, 2011, sources with access to the advisors for Qaddafi's son Saif al Islam stated in private that he and his father are considering options for striking back at NATO, the United States and the other Western powers involved in the air raid that killed Qaddafi's youngest son Saif al Arab on April 30. At this point no firm decisions have been made and the discussions are general in nature. Interestingly, these individuals add that Qaddafi and his sons were pleased when they learned of the death of al Qaeda leader Osama Bin Laden at the hands of the U.S. military on May 1, 2011. According to these sources, Qaddafi viewed Bin Laden as a long time adversary and is glad to be rid of him. At the same time he sees a possible benefit if the U.S. attack stirs up resentment against the United States across the Arab world, distracting the American people and their leaders from the situation in Libya. For his part, Saif al Islam believes that in the event of a retaliatory attack by al Qaeda against the U.S. or its interests abroad, it may be possible to use his contacts in the Western press to link the Libyan rebels to al Qaeda, and weaken Western support for the TNC.

These same individuals with access Saif al Islam add that groups of fighters loyal to al Qaeda in the Islamic Maghreb (AQIM) have taken advantage of the fighting between rebel and government forces to establish a presence among some of the tribes located in the remote Southwestern part of Libya. At the same time AQIM operatives have established a central base close to the southern reaches of the Algerian Hoggar Mountains, from which they are directing katabats in the following locations:

- Northern Mali, in the village of TAOUDENI (22°48'30.48"N 03°58'26.55"E)
- Eastern Mali, in the town of GAO (16°16'23.01"N 00°03'03.41"W);
- Niger in the town of TAHOUA (14°54'00.44"N 05°16'00.46"E));

The operational area for the AQIM's Katibat(s) is the region that runs along the borders of:

- Mali - Niger;
- Niger - Algeria;
- Niger - Libya.

(Source Comment: Katibat is a term used by the old Salafist Group for Preaching and Combat (GSPC) for units of about 100 fighters, The GSPC was one of the groups that helped form AQIM in 2006-7 under the auspices of Bin Laden's Deputy Ayman al-Zawahiri.)