

RELEASE IN FULL**CONFIDENTIAL**

February 6, 2012

For: HRC
From: Sid
Re: Egypt NGOs

Below are two reports: first, on the decision-making and politics behind the arrest of the U.S. and Western NGO officials; and, second, on the soccer riot, a related event. The message was delivered through sources to high Egyptian officials.

Memo 1.

SOURCE: Sources with access to the highest levels of the Muslim Brotherhood in Egypt, The Supreme Council of the Armed Forces, and Western Intelligence and security services.

1. During the evening of February 5, 2012, an individual with access to the highest levels of Egypt's Supreme Council of the Armed Forces (SCAF) stated, on condition of absolute secrecy, that the recent action by Egyptian security forces and courts against American and other Non-Governmental Organizations (NGO) operating in Egypt were taken after secret discussions between the leadership of the SCAF and the Muslim Brotherhood (MB). In the opinion of this individual the MB, which controls the new parliament through the Freedom and Justice Party (FJP), shares the SCAF concerns regarding the threat posed by training being provided the NGOs to opposition political groups. The MB officials believe that these efforts will only serve to confuse the political situation as Egypt moves toward civilian rule.

2. According to this well informed source, while prosecutors cited violations of Egyptian laws governing fund raising in ordering actions against the NGOs, the true reasons lie in concerns over NGO contacts with secular/liberal political parties and movements. The leaders of both organizations agreed that the deteriorating security situation in Egypt is now complicated by a variety of foreign interests and that the NGOs are the most obvious manifestation of these interests. This individual added that, while the NGOs are popular with the secular/ liberal political parties and movements, they are viewed as dangerous provocateurs by the rank and file

of the military, the leaders of the MB, the Freedom and Justice Party (FJP), and, most particularly, by the leaders of the Salafist al-Nour Party.

3. (Source Comment: According to this individual, the leaders of the SCAF informed the senior members of the MB that the General Intelligence Directorate (GID) continues to report that the National Democratic Institute, the International Republican Institute, Freedom House, the German Konrad Adenauer Stiftung and other, less well known, NGOs, are working with a variety of opposition political parties. The SCAF and MB officials are particularly concerned over reports that members of these NGOs are training their Egyptian contacts in political techniques used by parliamentary minorities in other countries to press their programs. In the opinion of this individual, the leaders of the MB also believe that the SCAF will absorb most of the international criticism for actions taken against the NGOs. This person added that the SCAF is doing the dirty work, and the MB/FJP/al-Nour coalition will reap the benefits in parliament, where the secular/liberal opposition will miss the support and guidance of the NGOs.)

4. When informed that their actions against the NGOs were putting at risk the financial assistance Egypt, and particularly the Egyptian military, receives from the United States, a senior General with ties to the leadership of the SCAF stated that "their hands were tied" by the strong positions on this matter taken by the Islamist parties and the ongoing anti-government activities of the secular parties. He then explained that SCAF commander Field Marshall Mohammed Hussein Tantawi is well aware of the threat associated with U.S. aid and the International Monetary Fund (IMF) program that must also be approved by the U.S., having been given similar warnings by senior contacts in the United States military. However, Tantawi feels that he must accept the possible loss of American aid, if that is the price of maintaining control of the security situation in Egypt. Tantawi apparently was quite upset when he was informed of the possibility of a reduction in U.S. aid, and complications with the IMF package, pointing out, in the strongest terms, that the NGO officials had been warned throughout late December 2011 and January 2012 that their actions were unacceptable to the Egyptian Government.

5. (Source Comment: MB Supreme Guide Mohamed Badie informed a separate individual that, while the SCAF had taken the action against the NGOs, the United States Government and the IMF must realize that these foreign funded institutions were encouraging the activities of the secular and liberal groups protesting against both the SCAF and the schedule for the transition to civilian rule, a schedule that the MB/FJP supports. The activities of the secular/liberal groups are becoming increasingly violent and there is a growing reaction among the devout Islamic majority of the Egyptian population, including the rank and file members of the armed forces.)

6. In a separate conversation, a senior official of the SCAF expressed the concern that many members of the Council do not believe the U.S. and IMF will suspend all funding for Egypt. In the opinion of this individual, these senior officers in the SCAF, and the leaders of the

MB, have received, and understand all of the warnings on this matter coming from U.S. officials, however; they will not realize the seriousness of the situation until it is too late.

7. (Source Comment: An individual with access to the leadership of the MB added that once the transition to civilian rule has taken place, the MB will be able to negotiate with the governments of the United States and the other Western powers and resolve differences regarding the activities of western NGOs and businesses in the new, Islamic Egypt. That said, this source repeated the belief that Western NGOs will not be able to promote Western political tactics and practices among Egypt's opposition parties. This source repeated a point originally expressed by contacts in the SCAF, that these moves against the NGOs are supported by both the SCAF and the MB/al-Nour coalition, adding that any indication that the SCAF was moderating its policies on the NGOs will be met by strong resistance from the MB/FJP/al-Nour parliamentary coalition.)

Memo 2.

SOURCE: Sources with access to the highest levels of the Muslim Brotherhood in Egypt, The Supreme Council of the Armed Forces, and Western Intelligence and security services.

1. On February 3, 2012 a source with access to the senior levels of Egypt's Muslim Brotherhood (MB) stated in confidence that Saad Al-Katany of the Freedom and Justice Party (FJP), and the speaker of the lower house of the Egyptian parliament, is concerned that the recent rioting inspired by a soccer match in Port Said was engineered by the Egyptian General Intelligence Directorate (GID) on behalf of the Supreme Council of the Armed Forces (SCAF). Al-Katany told Supreme Guide Mohamed Badie that military officers loyal to the MB are reporting that the fighting that led to the riot was initiated by GID personnel in the crowd. According to this individual, al-Katany is convinced that the SCAF is setting the stage for a decree from the SCAF supporting extension of the state of emergency, and delaying the transition to full civilian rule.

2. (Source Comment: This well placed individual added that Badie does not share al-Katany's concern, and attempted to discourage him from spreading the story. Badie added that reliable contacts in the SCAF report that the real issue resides in the concern of police and military personnel over the possibility that they will be held legally responsible for any actions they take against the rioters. In Badie's opinion, with this in mind, the real danger is that protesters in other parts of Egypt will realize that the police are reluctant to act in these situations, and will take advantage of this situation. While disagreeing on the background of the violence, Badie did state that he and al-Katany share the concern that the result of this violence may be the same; the military moving in to restore order.)

3. In a separate discussion, an individual with access to the senior levels of the SCAF stated in strict confidence, that police officers and military personnel feel that their authority has been undermined by the success of the 2011 revolution and the ongoing demonstrations in Tahrir Square in Cairo. This individual compared these developments to the situation in the former East Germany, and the states of Eastern Europe at the end of the cold war. At that time the security forces of these countries were discredited by their association with the old regime, and reduced their level of activity accordingly. In all of these cases the rates of violent crime rose dramatically during the years immediately after the change of government.

4. (Source Comment: This same individual noted that police and GID personnel are warning SCAF leader and interim Head of State, Field Marshall Mohammed Hussein Tantawi, that they should expect the rate of violent crime of all types to rise throughout 2012 and 2013.)