

RELEASE IN FULL

CONFIDENTIAL

January 18, 2013

For: Hillary
From: Sid
Re: Latest French Intelligence Reports on Algerian Hostage Crisis

Report 1:

1. According to a very sensitive source, individuals with access to officers of the French external intelligence service (Direction Générale de la Sécurité Extérieure -- DGSE) working in Mali and Algeria during the January 17, 2013 hostage crisis, stated in private that the Algerian government of President Abdelaziz Bouteflika was surprised and disoriented by the attacks. According to sources with access to the Algerian DGSE, the Bouteflika government reached a highly secret understanding with Belmokhtar after the kidnapping in April 2012 of the Algerian consul in GAO (Mali). Under this agreement Belmokhtar concentrated his operations in Mali, and occasionally, with the encouragement of the Algerian DGSE, attack Moroccan interests in Western Sahara, where the Algerians have territorial claims. The Algerian security officials fear that January 17 attacks might mark a resumption of the 20 year civil war and resolved to deal with the situation with extreme force. Their goal in this, according to this source, is to destroy the "Signed in Blood" group, delivering a message to Belmokhtar and his allies. According to these sources, the fate of the hostages is a secondary consideration in this decision.

2. Extremely sensitive sources add that in this matter Belmokhtar is reacting to a direct request from the Malian rebels, via AQIM, to make a statement as French military forces attack the rebels. AQIM viewed the well-organized Belmokhtar as the fighter best placed to strike immediately at Western interests. Algeria allowed French planes to fly over their territory enroute to Mali, and Belmokhtar noted that there is real emotional link between France and Algeria that adds to the impact of the attack. These sources note that Belmokhtar can draw on a cadre of 5,000-10,000 anti-government fighters inside of Algeria.

3. According to these sensitive sources, the attacks were carried out by "Signed in Blood" Katiba, led by Mokhtar Belmokhtar, which is the latest group organized by the long-time Algerian rebel. Belmokhtar and his followers are, according to the French DGSE, part of the Movement for Unity and Jihad in West Africa (MUJWA), formed in May 2012 in Mali. MUJWA is the result of a mutual cooperation agreement between terrorist groups operating in

North Africa. Al Qa'ida in the Islamic Maghreb (AQIM) organized the agreement, which includes Boko Haram of Nigeria, and al Qa'ida in East Africa (primarily al Shabaab of Somalia), the Islamist Rebels in Mali, and Belmokhtar. Through this organization AQIM is preaching the concept of a "caliphate" along an extended strip stretching from South Sudan, through Libya, Algeria, and Mali, to Mauritania. These French officials also warn that subsequent reporting indicates that this effort to concentrate Islamist forces in the region and is meeting with a degree of success. They also warn that these forces are dedicated to "religious cleansing" aimed at the governments in that area. The DGSE officials noted that they believe the central figure in this effort is a Somali associated with al Shabaab; Sheik NUR BARUD.

4. These sources describe Belmokhtar (AKA 'One-eyed') as very shrewd person, who in the past bargained with the authorities in Mauritania regarding his reintegration into society. For a period Belmokhtar abandoned smuggling (in the area is known by the nickname of Marlboro for its trade of cigarettes). After he became leader of the Saharan faction of Al Qaeda of Islamic Maghreb (AQIM), he organized the importation of arms for the underground network from Niger and Mali, as well as the kidnapping of Western businessmen. Belmokhtar is, according to these sources, fascinated by the opportunities for aggressive Islamist forces in the new Libya.

5. The following is a sensitive history of the Belmokhtar groups:

BELMOKHTAR is based in the northern part of Mauritania, under the leadership of Mokhtar Belmokhtar (also known as: Khaled Abou al-Abbas and Laaouar among other noms de guerres), where they are involved with drug smuggling and other criminal activity. Most recently, the Mauritania Government, with the encouragement of Morocco, attempted to negotiate a settlement with Belmokhtar that would have allowed his followers to reenter normal society. These negotiations broke down, however, in the summer of 2010, and the Belmokhtar group has continued its operational support of AQIM throughout the region.

Abu Zayd Group: The Abu Zayd faction is currently one of the principal subgroups of AQIM, from the perspective of the Moroccan Government. The group is deeply committed to the jihadist struggle against what it sees as the "secularism" of Tunisia and Morocco. The Abu Zayd group is based in southern Algeria and northern Mali, under the direction of Abid Hamadu (also known as: Abou Abdellah, Abdelhamid Abu Zied, Youcef Abdel, and Abu Abdellah). This Group is one of the most active and important of the AQIM member groups, and it has the resources, personnel, and flexibility to support operations into Western Sahara and Morocco.

According to very sensitive sources, Abu Zayd is based in the Hoggar (Ahaggar) Massif, in the Tamanrasset region. (Note: This is a rugged mountainous plateau located 1,000 miles from the Atlantic Ocean, lying mostly in southern Algeria, on the Tropic of Cancer). On the eastern edge of this region, the Abu Zayd Group is active in assisting Islamic fighters traveling to the Horn of Africa, Iraq, and even Afghanistan. In the south it has established relationships with tribal leaders in central Africa, relationships that allow AQIM to move freely in and out of the sub-Saharan region.

Report 2:

1. According to sensitive sources with access to the Algerian army, the attack is being conducted by the group under longtime anti-Algiers fighter Mokhtar Belmokhtar, who established a relationship with al Qaeda in the Maghreb (AQIM) in 2009. They support each other, with AQIM providing funding and weapons to Belmokhtar in the fight against the Algerian government, which goes back twenty years. AQIM's goal in this region is to destabilize the governments of Mali, Mauritania, Morocco, and Algeria. In this regard they act to coordinate these often disparate rebel/terrorist groups. Belmokhtar's attack on the BP facility appears to be done at the request of AQIM in support of the Mali rebels. This individual believes that Belmokhtar was chosen because it was the group that was in position to carry out a major attack against a Western facility in the region on short notice and has little to do with the internal Algerian struggle. Belmokhtar owes AQIM for their past support and to a degree the attack adds to their long-term goal of demonstrating that the Algerian government cannot protect foreigners.

2. This same source notes that the Algerian army's initial assessment agrees with the AQIM/Belmokhtar claims regarding the deaths of 35 hostages and 15 of their captors on Jan. 17. They will not know the actual death toll until the incident ends, but they noted that Algerian special forces troops attacked the rebels as they tried to move from one location to another inside the complex.

3. (Source Comment: In the opinion of this source, Belmokhtar's forces, including the Khaled Abu al-Abbas Brigade and the Signed-in-Blood Battalion have existing contingency plans to attack Western facilities in Algeria and in Western Sahara. This agreement to support AQIM allies in Mali was a complicated matter for Belmokhtar, given the fact that during 2011 Libyan revolution Belmokhtar's followers supported the rebels fighting the forces of former dictator Muammar al Qaddafi, while many of the groups fighting with AQIM in Mali fought for Qaddafi as mercenaries. This incident highlights the existing threat to Western interests in Algeria and throughout the Maghreb, even in cases where the targets have little or no relation to events that are inspiring the attack.)