

# Arab Bank to Appeal Guilty Verdict in US Terror Financing “Show Trial”

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The case against Jordan-based Arab Bank is believed to be the first successful civil suit against a financial institution under anti-terror legislation. ([Flickr](#))

Lawyers for a bank found guilty in a New York court this week of providing financial services to the Palestinian armed group [Hamas](#) say they will appeal the jury’s precedent-setting verdict.

On Monday, after two days of deliberation following a six-week trial, an eleven-member jury found the Jordan-based Arab Bank liable for knowingly supporting two dozen acts of terrorism committed between 2001 and 2004 in or around Israel by members of Hamas.

Declared a “show trial” by Arab Bank’s defense attorneys, the case is believed to be the first successful civil suit holding a financial institute liable under the anti-terrorism statute which prohibits individuals or organizations from providing services to designated terrorist organizations.

The trial was held in a district court in Brooklyn and filed under a provision within the Anti-Terrorism Act that allows victims of terrorism to seek damages in US federal courts.

During the course of the trial the plaintiffs argued that each of the 24 attacks were conducted by members of Hamas and that the bank knowingly routed money from the Saudi Committee, a charitable organization, to the families of suicide bombers in the West Bank.

The plaintiffs argued that this provided an incentive for the bombings, without which the acts of terrorism may not have occurred.

In its defense, the Arab Bank argued that it had complied with the standard precautions, vetting recipients against the [Office of Foreign Assets Control](#) — the agency within the Department of Treasury that enforces US economic and trade sanctions — to determine that none had been listed as terrorists or blacklisted.

Speaking to the jury, defense attorney [Shand S. Stephens said](#), “The proposition that’s being floated here [is] that private businesses, including banks, are supposed to make up their own lists of terrorists. Imagine, actually, what that would do, if a bank did that.”

## “Scores of errors”

The Arab Bank described the trial as “infected by scores of errors.”

The district court had excluded all of the bank's witnesses who were prepared to testify to the character of the Saudi Committee as a lawful humanitarian aid organization supporting Palestinians impoverished during the second intifada.

"The jury never heard that the Saudi Committee's humanitarian purpose was confirmed by senior US government officials, as well as other nations, and it was never designated [a terrorist organization] by the US," the Arab Bank wrote in a statement distributed to the press.

While none of the defense's witnesses were permitted to testify to the charitable nature of the Saudi Committee, prosecutors brought two witnesses in that claimed the organization had the explicit intention to finance terrorism.

Matthew Levitt, a fellow of the pro-Israel think tank Washington Institute for Near East Policy, stated that the organization's "primary purpose" was to divert donations to the families of "terrorist operatives," according to the defense's records. Levitt also invoked former US Secretary of State Colin Powell who "described [martyr] payments as incentivizing terrorism."

Arieh Spitz, former head of the Israeli military's Department of Palestinian Affairs, testified that the primary function of the Saudi Committee "was to support the al-Quds intifada," referring to the Palestinian uprising that erupted in September 2000.

Defendants had requested to bring in historian Robert Lacey, but were denied on the grounds that he is not "an expert on terrorism or terrorism financing."

Lacey was going to testify that the Saudi Committee was formed in 2000 as a humanitarian organization to "to provide medical, educational and general relief assistance" to Palestinians in the occupied West Bank and Gaza Strip, the defense states in a document emailed to The Electronic Intifada.

## **Court sanctions**

The civil suit against Arab Bank was filed in 2004 and initially represented more than 6,500 plaintiffs — most of whom were Israeli nationals filing the suit under the Alien Tort Statute, which permits non-US citizens to sue in a US federal court for violations of international law.

But last summer the judge threw out the ATS claims, leaving approximately three hundred US citizens as plaintiffs.

The Arab Bank's defense was significantly hampered by a federal judge's decision to sanction the bank after it refused to turn over some of its client files. The defense argued that doing so would have been a breach of foreign banking secrecy laws.

The sanctions passed down by Judge Nina Gershon in April 2013 included barring the Arab Bank from explaining to the jury why it did not produce those records or any evidence that it was adhering to foreign bank secrecy laws.

The sanctions also included an instruction to the jury that it "may, but are not required to, infer" that the bank provided financial services to Hamas, and that it did so knowingly.

The Arab Bank is headquartered in Jordan, a close ally with the United States, and with the

permission of Israel opened its branches in the West Bank and Gaza Strip following the signing of the Oslo accords in the mid-1990s.

According to the bank, the Government of Israel remits the funds collected on behalf of the Palestinian Authority into an account at the Arab Bank.

### **Verdict “inevitable”**

In its written statement to the press, the Arab Bank asserts that any trial conducted with the court’s sanctions “would be nothing more than a show trial,” and that a guilty verdict against the bank was “inevitable.”

Last year, the Arab Bank [petitioned](#) the Supreme Court, asking for the trial to be dismissed entirely. But the court rejected the petition and kept the sanctions in place.

While reviewing the case, the [Supreme Court had invited](#) the Obama administration to submit its views; the State Department criticized the sanctions but said the case did not warrant Supreme Court intervention.

The decision may set a precedent impacting similar civil suits pending in federal courts.

[A US appeals court reinstated](#) on Monday a lawsuit against National Westminster Bank by other victims of attacks in Israel allegedly orchestrated by Hamas.

In the decision, a judge wrote that the Anti-Terrorism Act only required plaintiffs to prove that the bank was “deliberately indifferent” to whether they were providing support to Hamas.

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