

# Al Qaeda, U.S. Oil Companies, and Central Asia

Excerpt of a forthcoming book entitled The Road to 9/11

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What is slowly emerging from Al Qaeda activities in Central Asia in the 1990s is the extent to which they involved both American oil companies and the U.S. government.[1] By now we know that the U.S.-protected movements of al Qaeda terrorists into regions like Afghanistan, Azerbaijan and Kosovo have served the interests of U.S. oil companies. In many cases they have also provided pretexts or opportunities for a U.S. military commitment and even troops to follow.

This has been most obvious in the years since the Afghan War with the Soviet Union ended in 1989. Deprived of Soviet troops to support it, the Soviet-backed Najibullah regime in Kabul finally fell in April 1992. What should have been a glorious victory for the mujahedin proved instead to be a time of troubles for them, as Tajiks behind Massoud and Pashtuns behind Hekmatyar began instead to fight each other.

The situation was particularly difficult for the Arab Afghans, who now found themselves no longer welcome. Under pressure from America, Egypt, and Saudi Arabia, the new interim president of Afghanistan, Mojaddedi, announced that the Arab Afghans should leave. In January 1993 Pakistan followed suit, closed the offices of all mujahedin in its country, and ordered the deportation of all Arab Afghans.[2] Shortly afterwards Pakistan extradited a number of Egyptian jihadis to Egypt, some of whom had already been tried and convicted in absentia.[3]

Fleeing the hostilities in Afghanistan, some Uzbek and Tajik mujahedin and refugees started fleeing or returning north across the Amu Darya.[4] In this confusion, with or without continued U.S. backing, cross-border raids, of the kind originally encouraged by CIA Director Casey back in the mid-1980s, continued.[5] Both Hekmatyar and Massoud actively supported the Tajik rebels, including in the years up to 1992 when both continued to receive aid and assistance from the United States.[6] The Pakistani observer Ahmed Rashid documents further support for the Tajik rebels from both Saudi Arabia and the Pakistani intelligence directorate ISI.[7]

These raids into Tajikistan and later Uzbekistan contributed materially to the destabilization of the Muslim Republics in the Soviet Union (and after 1992 of its successor, the Conference of Independent States). This destabilization was an explicit goal of U.S. policy in the Reagan era, and did not change with the end of the Afghan War. On the contrary, the United States was concerned to hasten the break-up of the Soviet Union, and increasingly to gain access to the petroleum reserves of the Caspian Basin, which at that time were still estimated to be "the largest known reserves of unexploited fuel in the planet." [8]

The collapse of the Soviet Union had a disastrous impact on the economies of its Islamic

Republics. Already in 1991 the leaders of Central Asia “began to hold talks with Western oil companies, on the back of ongoing negotiations between Kazakhstan and the US company Chevron.”[9] The first Bush Administration actively supported the plans of U.S. oil companies to contract for exploiting the resources of the Caspian region, and also for a pipeline not controlled by Moscow that could bring the oil and gas production out to the west. The same goals were enunciated even more clearly as matters of national security by Clinton and his administration.[10]

Eventually the threat presented by Islamist rebels persuaded the governments of Uzbekistan, Tajikistan, and Kyrgyzstan to allow U.S. as well as Russian bases on their soil. The result is to preserve artificially a situation throughout the region where small elites grow increasingly wealthy and corrupt, while most citizens suffer from a sharp drop in living standards.[11]

The tension between the Bush Administration’s professed ideals and its real objectives is well illustrated by its ambivalent position towards the regime of Karimov in Uzbekistan. America quickly sent Donald Rumsfeld to deal with the new regime in Kyrgyzstan installed in March 2005 after the popular “Tulip Revolution” and overthrow there of Askar Akayev.[12] But Islam Karimov’s violent repression of a similar uprising in Uzbekistan saw no wavering of U.S. support for a dictator who has allowed U.S. troops to be based in his oil- and gas-rich country.[13]

### **U.S. Operatives, Oil Companies and Al Qaeda in Azerbaijan**

In one former Soviet Republic, Azerbaijan, Arab Afghan jihadis clearly assisted this effort of U.S. oil companies to penetrate the region. In 1991, Richard Secord, Heinie Aderholt, and Ed Dearborn, three veterans of U.S. operations in Laos, and later of Oliver North’s operations with the Contras, turned up in Baku under the cover of an oil company, MEGA Oil.[14] This was at a time when the first Bush administration had expressed its support for an oil pipeline stretching from Azerbaijan across the Caucasus to Turkey.[15] MEGA never did find oil, but did contribute materially to the removal of Azerbaijan from the sphere of post-Soviet Russian influence.

Secord, Aderholt, and Dearborn were all career U.S. Air Force officers, not CIA. However Secord explains in his memoir how Aderholt and himself were occasionally seconded to the CIA as CIA detailees. Secord describes his own service as a CIA detailee with Air America in first Vietnam and then Laos, in cooperation with the CIA Station Chief Theodore Shackley.[16] Secord later worked with Oliver North to supply arms and materiel to the Contras in Honduras, and also developed a small air force for them, using many former Air America pilots.[17] Because of this experience in air operations, CIA Director Casey and Oliver North had selected Secord to trouble-shoot the deliveries of weapons to Iran in the Iran-Contra operation.[18] (Aderholt and Dearborn also served in the Laotian CIA operation, and later in supporting the Contras.)

As MEGA operatives in Azerbaijan, Secord, Aderholt, Dearborn, and their men engaged in military training, passed “brown bags filled with cash” to members of the government, and above all set up an airline on the model of Air America which soon was picking up hundreds of mujahedin mercenaries in Afghanistan.[19] (Secord and Aderholt claim to have left Azerbaijan before the mujahedin arrived.) Meanwhile, Hekmatyar, who at the time was still allied with bin Laden, was “observed recruiting Afghan mercenaries [i.e. Arab Afghans] to fight in Azerbaijan against Armenia and its Russian allies.”[20] At this time, heroin flooded

from Afghanistan through Baku into Chechnya, Russia, and even North America.[21] It is difficult to believe that MEGA's airline (so much like Air America) did not become involved.[22]

The operation was not a small one. "Over the course of the next two years, [MEGA Oil] procured thousands of dollars worth of weapons and recruited at least two thousand Afghan mercenaries for Azerbaijan – the first mujahedin to fight on the territory of the former Communist Bloc." [23]

In 1993 the mujahedin also contributed to the ouster of Azerbaijan's elected president, Abulfaz Elchibey, and his replacement by an ex-Communist Brezhnev-era leader, Heidar Aliyev.

At stake was an \$8 billion oil contract with a consortium of western oil companies headed by BP. Part of the contract would be a pipeline which would, for the first time, not pass through Russian-controlled territory when exporting oil from the Caspian basin to Turkey. Thus the contract was bitterly opposed by Russia, and required an Azeri leader willing to stand up to the former Soviet Union.

The Arab Afghans helped supply that muscle. Their own eyes were set on fighting Russia in the disputed Armenian-Azeri region of Nagorno-Karabakh, and in liberating neighboring Muslim areas of Russia: Chechnya and Dagestan.[24] To this end, as the 9/11 Report notes (58), the bin Laden organization established an NGO in Baku, which became a base for terrorism elsewhere.[25] It also became a transshipment point for Afghan heroin to the Chechen mafia, whose branches "extended not only to the London arms market, but also throughout continental Europe and North America." [26]

The Arab Afghans' Azeri operations were financed in part with Afghan heroin.

According to police sources in the Russian capital, 184 heroin processing labs were discovered in Moscow alone last year. "Every one of them was run by Azeris, who use the proceeds to buy arms for Azerbaijan's war against Armenia in Nagorno- Karabakh," [Russian economist Alexandre] Datskevitch said.[27]

This foreign Islamist presence in Baku was also supported by bin Laden's financial network.[28] With bin Laden's guidance and Saudi support, Baku soon became a base for jihadi operations against Dagestan and Chechnya in Russia.[29] And an informed article argued in 1999 that Pakistan's ISI, facing its own disposal problem with the militant Arab-Afghan veterans, trained and armed them in Afghanistan to fight in Chechnya. ISI also encouraged the flow of Afghan drugs westward to support the Chechen militants, thus diminishing the flow into Pakistan itself.[30]

As Michael Griffin has observed, the regional conflicts in Nagorno-Karabakh and other disputed areas, Abkhazia, Turkish Kurdistan and Chechnya each represented a distinct, tactical move, crucial at the time, in discerning which power would ultimately become master of the pipelines which, some time in this century, will transport the oil and gas from the Caspian basin to an energy-avid world.[31]

The wealthy Saudi families of al-Alamoudi (as Delta Oil) and bin Mahfouz (as Nimir Oil) participated in the western oil consortium as partners with the American firm Unocal. In October 2001, the U. S. Treasury Department named among charities allegedly providing

funds to al Qaeda the Saudi charity Muwafaq (Blessed Relief), to which the al-Alamoudis and bin Mahfouz families were named as major contributors.[32] One cannot discern whether religion or oil was their primary charitable motive.

It is unclear whether MEGA Oil was a front for the U.S. Government or for U.S. oil companies and their Saudi allies. U.S. oil companies have been accused of spending millions of dollars in Azerbaijan, not just to bribe the government but also to install it. According to a Turkish intelligence source who was an alleged eyewitness, major oil companies, including Exxon and Mobil, were “behind the coup d’état” which in 1993 replaced the elected President, Abulfaz Elchibey, with his successor, Heydar Aliyev. The source claimed to have been at meetings in Baku with “senior members of BP, Exxon, Amoco, Mobil and the Turkish Petroleum Company. The topic was always oil rights and, on the insistence of the Azeris, supply and arms to Azerbaijan.” Turkish secret service documents allege middlemen paid off key officials of the democratically elected government of the oil-rich nation just before its president was overthrown.[33]

The true facts and backers of the Aliyev coup may never be fully disclosed. But unquestionably, before the coup, the efforts of Richard Secord, Heinie Aderholt, Ed Dearborn and Hekmatyar’s mujahedin helped contest Russian influence and prepare for Baku’s shift away to the west.[34] Three years later, in August 1996, Amoco’s president met with Clinton and arranged for Aliyev to be invited to Washington.[35] In 1997 Clinton said that

In a world of growing energy demand, our nation cannot afford to rely on a single region for our energy supplies. By working closely with Azerbaijan to tap the Caspian’s resources, we not only help Azerbaijan to prosper, we also help diversify our energy supply and strengthen our energy’s security.[36]

### **Unocal, the Taliban, and bin Laden in Afghanistan**

The accusations against Amoco, Exxon, and Mobil in Azerbaijan parallel those from European sources against Unocal in Afghanistan, which has been accused of helping, along with Delta Oil, to finance the Taliban’s seizure of Kabul in 1996. (This was at a time when the Taliban was also receiving funds from Saudi Arabia and Osama bin Laden.)

The respected French observer Olivier Roy has charged that “When the Taleban took power in Afghanistan (1996), it was largely orchestrated by the Pakistani secret service [ISI] and the oil company Unocal, with its Saudi ally Delta.”[37] Unocal executive John Maresca then testified in 1998 to the House Committee on International Relations on the benefits of a proposed oil pipeline through Afghanistan to the coast of Pakistan.[38] A second natural gas pipeline (Centgas) was also contemplated by Unocal.

For Unocal to advance its own funds for the Taliban conquest would have been in violation of U.S. law, which is why such companies customarily resort to middlemen. No such restraints would have inhibited Unocal’s Saudi partner in its Centgas consortium, Delta Oil. Delta Oil certainly had the assets; it was “owned by a Jeddah-based group of 50 prominent investors close to the [Saudi] royal family.”[39] Delta was already an investor with Unocal in the oilfields of Azerbaijan, and may have been a factor in the October 1995 decision of Turkmenistan to sign a new pipeline contract with Unocal.[40]

As I wrote a decade ago, citing the case of a U.S. oil company in Tunisia, “it is normal, not unusual, for the entry of major U.S. firms into Third World countries to be facilitated and

sustained, indeed made possible, by corruption.”[41] This has long been the case, but in the Reagan 1980s it was escalated by a new generation of aggressively risk-taking, law-bending, “cowboy” entrepreneurs. The pace was set by new corporations like Enron, a high-debt merger that was in part guided by the junk-bond impresario Michael Milken.

Some have speculated that Enron also had a potential interest in the Unocal gas pipeline project through Afghanistan. By 1997 Enron was negotiating a \$2 billion joint venture with Neftegaz of Uzbekistan, to develop Uzbekistan’s natural gas. This was a huge project backed by a \$400 million commitment from the U.S. Government through OPIC. Uzbekistan also signed a Memo of Agreement to participate in the Centgas gas pipeline. But the Enron Uzbek negotiations collapsed in 1998.[42]

Enron’s short-term plans had been to export Uzbek gas west to Kazakhstan, Turkey, and Europe. However it has been claimed that Enron hoped eventually to supply, via the Centgas pipeline, its failing energy plant in Dabhol, India. (Without a cheap gas supply, the cost of electricity from Dabhol was so great that Indians refused to buy it.)[43]

In my book *Drugs, Oil, and War*, I quote again from Olivier Roy: “It is the Americans who have made inroads in Central Asia, primarily because of the oil and gas interests. Chevron and Unocal are political actors who talk as equals with the States (that is, with the presidents).”[44]

It is clear they talk as equals in the current Bush Administration. Both the President and Vice-President are former oilmen, as were some of their oldest friends and political backers, like Kenneth Lay of Enron.[45] Twice in his early years George W. Bush’s oil investment Arbusto (later merged into Harkin Energy) was advanced by Saudi investors (Salim bin Laden, Osama’s father, and Khalid bin Mahfouz of Delta-Nimir), some of whom have been allied with the U.S. oil giants in Azerbaijan and Turkmenistan.[46]

### **Al Qaeda, the KLA in Kosovo, and the Trans-Balkan Pipeline**

The U.S., Al Qaeda and oil company interests converged again in Kosovo. Though the origins of the Kosovo tragedy were rooted in local enmities, oil became a prominent aspect of the outcome. There the al Qaeda-backed UCK or “Kosovo Liberation Army” (KLA) was directly supported and politically empowered by NATO, beginning in 1998.[47] But according to a source of Tim Judah, KLA representatives had already met with American, British, and Swiss intelligence agencies in 1996, and possibly “several years earlier.”[48] This would presumably have been back when Arab Afghan members of the KLA, like Abdul-Wahid al-Qahtani, were fighting in Bosnia.[49]

Mainstream accounts of the Kosovo War are silent about the role of al Qaeda in training and financing the UCK/KLA, yet this fact has been recognized by experts and to my knowledge never contested by them. For example, James Bissett, former Canadian ambassador to Yugoslavia, said “Many members of the Kosovo Liberation Army were sent for training in terrorist camps in Afghanistan.. Milosevic is right. There is no question of their [al Qaeda’s] participation in conflicts in the Balkans. It is very well documented.”[50] In March 2002, Michael Steiner, the United Nations administrator in Kosovo, warned of “importing the Afghan danger to Europe” because several cells trained and financed by al-Qaeda remained in the region.[51]

As late as 1997 the UCK/KLA had been recognized by the U.S. as a terrorist group supported



in part by the heroin traffic.[52] The Washington Times reported in 1999 that

The Kosovo Liberation Army, which the Clinton administration has embraced and some members of Congress want to arm as part of the NATO bombing campaign, is a terrorist organization that has financed much of its war effort with profits from the sale of heroin.[53]

Yet once again, as in Azerbaijan, these drug-financed Islamist jihadis received American assistance, this time from the U.S. Government.[54] At the time critics charged that US oil interests were interested in building a trans-Balkan pipeline with US Army protection; although initially ridiculed, these critics were eventually proven correct.[55] BBC News announced in December 2004 that a \$1.2 billion pipeline, south of a huge new U.S. army base in Kosovo, has been given a go-ahead by the governments of Albania, Bulgaria, and Macedonia.[56] Meanwhile by 2000, according to DEA statistics, Afghan heroin accounted for almost 20 percent of the heroin seized in the United States — nearly double the percentage taken four years earlier. Much of it is now distributed by Kosovar Albanians.[57]

The closeness of the UCK/KLA to al-Qaeda was acknowledged again in the western press, after Afghan-connected KLA guerrillas proceeded in 2001 to conduct guerrilla warfare in Macedonia. Press accounts included an Interpol report containing the allegation that one of bin Laden's senior lieutenants was the commander of an elite UCK/KLA unit operating in Kosovo in 1999.[58] This was probably Mohammed al-Zawahiri. The American right wing, which opposed Clinton's actions in Kosovo, has transmitted reports "that the KLA's head of elite forces, Muhammed al-Zawahiri, was the brother of Ayman al-Zawahiri, the military commander for bin Laden's Al Qaeda." [59] Meanwhile Marcia Kurop in the Wall Street Journal has written that "The Egyptian surgeon turned terrorist leader Ayman Al-Zawahiri has operated terrorist training camps, weapons of mass destruction factories and money-laundering and drug-trading networks throughout Albania, Kosovo, Macedonia, Bulgaria, Turkey and Bosnia." [60]

According to Yossef Bodansky, director of the U.S. Congressional Task Force on Terrorism and Unconventional Warfare,

Bin Laden's Arab 'Afghans' also have assumed a dominant role in training the Kosovo Liberation Army.[by mid-March 1999 the UCK included] many elements controlled and/or sponsored by the U.S., German, British, and Croatian intelligence services.[61]

The most flagrant and revealing evidence that as late as 2004 some U.S. bureaucratic sectors were still working with veterans of al Qaeda networks came in respect to Haiti:

In 2004 a USAID Report confirmed that "Training and management specialists of the Kosovo Protection Corps, a civilian response unit consisting primarily of former Kosovo Liberation Army members, have been brought to Haiti" [62]

Why would AID bring veterans of the Kosovo Liberation Army, "a major force in international organized crime, moving staggering amounts of narcotics," [63] to train and manage the Haitian Army, an organization traditionally "corrupted by Colombian cocaine kingpins"? [64] Whatever the answer, it is hard to imagine that AID did not have drugs somehow in mind.

### **Al Qaeda and the Petroleum-Military Complex**

It is important to understand that the conspicuous influence of petroleum money in the administration of two Bush presidents was also prominent under Clinton. A former CIA

officer complained about the oil lobby's influence with Sheila Heslin of Clinton's National Security Council staff:

Heslin's sole job, it seemed, was to carry water for an exclusive club known as the Foreign Oil Companies Group, a cover for a cartel of major petroleum companies doing business in the Caspian. . . . Another thing I learned was that Heslin wasn't soloing. Her boss, Deputy National Security Adviser Sandy Berger, headed the inter-agency committee on Caspian oil policy, which made him in effect the government's ambassador to the cartel, and Berger wasn't a disinterested player. He held \$90,000 worth of stock in Amoco, probably the most influential member of the cartel. . . . The deeper I got, the more Caspian oil money I found sloshing around Washington.[65]

The oil companies' meeting with Sheila Heslin in the summer of 1995 was followed shortly by the creation of an interagency governmental committee to formulate U.S. policy toward the Caspian.

The Clinton Administration listened to the oil companies, and in 1998 began committing U.S. troops to joint training exercises in Uzbekistan.[66] This made neighboring countries like Kazakhstan and Turkmenistan, wary of Russia, more eager to grant exploration and pipeline rights to American companies.[67]

But Clinton did not yield to Unocal's strenuous lobbying in 1996 for U.S. recognition of the Taliban, as a condition for building the pipeline from Turkmenistan. Clinton declined in the end to do so, responding instead to the strongly voiced political opposition, especially from women's groups over the Taliban's treatment of women.[68]

The three way symbiosis of Al Qaeda, oil companies, and the Pentagon is still visible in the case of Azerbaijan, for example. Now the Pentagon is protecting the Aliyev regime (where a younger Aliyev, in a dubious election, succeeded his father).

The Department of Defense at first proposed that Azerbaijan also receive an IMET [International Military Education and Training] grant of \$750,000 and an FMF [Foreign Military Financing] grant of \$3 million in 2003 as part of the war on terrorism but later admitted that the funds were actually intended to protect U.S. access to oil in and around the Caspian Sea.[69]

We have seen that, thanks to al Qaeda, U.S. bases have sprung up close to oilfields and pipelines in Uzbekistan, Tajikistan, Georgia, and Kosovo. And as Michael Klare has noted,

Already [U.S.] troops from the Southern Command (Southcom) are helping to defend Colombia's Cano Limón pipeline..Likewise, soldiers from the European Command (Eurcom) are training local forces to protect the newly constructed Baku-Tbilisi-Ceyhan pipeline in Georgia..Finally, the ships and planes of the U.S. Pacific Command (Pacom) are patrolling vital tanker routes in the Indian Ocean, South China Sea, and the western Pacific..Slowly but surely, the U.S. military is being converted into a global oil-protection service.[70]

A survey of U.S. history since World War Two suggests that the United States power state has consistently used the resources of the global drug traffic to further its own ends, particularly with respect to oil, at the expense of the public order and well-being of the American public state.[71] For at least two decades, from Brzezinski's backing of Hekmatyar in 1979 to Bush's backing of the Afghan Northern Alliance in 2001, the United States has

continued to draw on the resources of drug-trafficking Islamic jihadists who are or were associated at some point with Al Qaeda.

In the next chapter I shall argue that this alliance with al Qaeda terrorists against the United States public order underlies the conspiracy that made 9/11 possible. But we must also look at how the military-petroleum complex came to project long-term military budgets, in the order of a trillion dollars, that its advocates acknowledged that the American public state could not be persuaded easily to support...

In the absence, that is, of “some catastrophic and catalyzing event – like a new Pearl Harbor.”[72]

[1] Western governments and media apply the term “al Qaeda” to the whole “network of co-opted groups” who have at some point accepted leadership, training and financing from bin Laden (Jason Burke, *Al-Qaeda: The True Story of Radical Islam* [London: I.B. Tauris, 2004], 7-8). From a Muslim perspective, the term “Al Qaeda” is clumsy, and has led to the targeting of a number of Islamist groups opposed to bin Laden’s tactics. See Montasser al-Zayyat, *The Road to Al-Qaeda: The Story of Bin Laden’s Right-Hand Man* [London: Pluto Press, 2004], 100, etc.).

[2] *Guardian*, 1/7/93; Evan F. Kohlmann, *Al-Qaida’s Jihad in Europe: The Afghan-Bosnian Network* (Oxford and New York: Berg Publishers, 2004), 16. Despite this public stance, ISI elements “privately” continued to support Arab Afghans who were willing to join Pakistan’s new covert operations in Kashmir.

[3] Montasser al-Zayyat, *The Road to Al-Qaeda: The Story of Bin Laden’s Right-Hand Man* (London: Pluto Press, 2004), 55.

[4] Barnett Rubin, *New York Times*, 12/28/92.

[5] Robert Baer, *Sleeping with the Devil* (New York: Crown, 2003), 143-44. Former CIA officer Robert Baer, who in 1993 was posted to Tajikistan, describes a raid at that time in which “a Tajik Islamic rebel group from Afghanistan managed to overrun a Russian border post and cut off all the guards’ heads.” According to Baer, the local Russian intelligence chief was convinced that “the rebels were under the command of Rasool Sayyaf’s Ittehad-e-Islami, bin Laden’s Afghani protector,” who in turn was backed by Saudi Arabia and the IIRO. More commonly it is claimed that Hekmatyar’s terrorist drug network was supporting the Tajik resistance (*Independent*, 2/17/93, *San Francisco Chronicle*, 10/4/01). For Casey’s encouragement of these ISI-backed raids in 1985, see Steve Coll, *Ghost Wars: The Secret History of the CIA, Afghanistan, and Bin Laden, from the Soviet Invasion to September 10, 2001* (New York: Penguin Press, 2004), 104.

[6] Michael Griffin, *Reaping the Whirlwind: The Taliban Movement in Afghanistan* (London: Pluto Press, 2001), 150 (Tajik rebels); Coll, *Ghost Wars*, 225 (U.S. aid).

[7] Ahmed Rashid, *Jihad: The Rise of Militant Islam in Central Asia* (New Haven: Yale UP, 2002), 140-44.

[8] Griffin, *Reaping the Whirlwind*, 115. Exploration in the 1990s has considerably downgraded these estimates.

[9] Ahmed Rashid, *Taliban: Militant Islam, Oil and Fundamentalism in Central Asia* (New



Haven: Yale UP, 2001), 145.

[10] Peter Dale Scott, *Drugs, Oil, and War* (Lanham, MD: Rowman & Littlefield, 2003), 30-31.

[11] Martha Brill Olcott, "The Caspian's False Promise," *Foreign Policy*, Summer 1998, 96; quoted in Michael T. Klare, *Blood and Oil: The Dangers and Consequences of America's Growing Dependency on Imported Petroleum* (New York: Metropolitan/ Henry Holt, 2004), 129. Cf. Scott, *Drugs, Oil, and War*, 8, 64-66.

[12] Reuters, 4/24/05.

[13] Martha Brill Olcott, *Washington Post*, 5/22/05

[14] Thomas Goltz, *Azerbaijan Diary: A Rogue Reporter's Adventures in an Oil-Rich, War-Torn, Post-Soviet Republic* (Armonk, NY: M. E. Sharpe, 1999), 272-75. Cf. Mark Irkali, Tengiz Kodrarian and Cali Ruchala, "God Save the Shah," *Sobaka Magazine*, 5/22/03, <http://www.diacritica.com/sobaka/2003/shah2.html> . A fourth operative in MEGA Oil, Gary Best, was also a veteran of North's Contra support effort. For more on General Secord's and Major Aderholt's role as part of Ted Shackley's team of off-loaded CIA assets and capabilities, see Jonathan Marshall, Peter Dale Scott, and Jane Hunter, *The Iran-Contra Connection: Secret Teams and Covert Operations in the Reagan Era* (Boston: South End Press, 1987), 26-30, 36-42, 197-98.

[15] It was also a time when Congress, under pressure from Armenian voters, had banned all military aid to Azerbaijan (under Section 907 of the Freedom Support Act). This ban, reminiscent of the Congressional ban on aid to the Contras in the 1980s, ended after 9/11. "In the interest of national security, and to help in 'enhancing global energy security' during this War on Terror, Congress granted President Bush the right to waive Section 907 in the aftermath of September 11th. It was necessary, Secretary of State Colin Powell told Congress, to 'enable Azerbaijan to counter terrorist organizations'" (Irkali, Kodrarian and Ruchala, "God Save the Shah," *Sobaka Magazine*, 5/22/03).

[16] Richard Secord, with Jay Wurts, *Honored and Betrayed: Irangate, Covert Affairs, and the Secret War in Laos* (New York: John Wiley, 1992), 53-57.

[17] Secord, *Honored and Betrayed*, 211-16.

[18] Secord, *Honored and Betrayed*, 233-35.

[19] Goltz, *Azerbaijan Diary*, 272-75; Peter Dale Scott, *Drugs, Oil, and War* (Lanham, MD: Rowman & Littlefield, 2003), 7. As part of the airline operation, Azeri pilots were trained in Texas. Dearborn had previously helped Secord advise and train the fledgling Contra air force (Marshall, Scott, and Hunter, *The Iran-Contra Connection*, 197). These important developments were barely noticed in the U.S. press, but a *Washington Post* article did belatedly note that a group of American men who wore "big cowboy hats and big cowboy boots" had arrived in Azerbaijan as military trainers for its army, followed in 1993 by "more than 1,000 guerrilla fighters from Afghanistan's radical prime minister, Gulbuddin Hekmatyar." (*Washington Post*, 4/21/94) Richard Secord was allegedly attempting also to sell Israeli arms, with the assistance of Israeli agent David Kimche, another associate of Oliver North. See Scott, *Drugs, Oil, and War*, 7, 8, 20. Whether the Americans were aware of it or not, the al Qaeda presence in Baku soon expanded to include assistance for moving jihadis onwards into Dagestan and Chechnya.

[20] Cooley, *Unholy Wars*, 180; Scott, *Drugs, Oil, and War*, 7.

[21] Cooley, *Unholy Wars*, 176.

[22] As the 9/11 Commission Report notes (58), the bin Laden organization established an NGO in Baku, which became a base for terrorism elsewhere. It also became a transshipment point for Afghan heroin to the Chechen mafia, whose branches “extended not only to the London arms market, but also throughout continental Europe and North America (Cooley, *Unholy Wars*, 176).

[23] Mark Irkali, Tengiz Kodrarian and Cali Ruchala, “God Save the Shah: American Guns, Spies and Oil in Azerbaijan,” 5/22/03, <http://www.diacritica.com/sobaka/2003/shah.html>. As we have just seen, they were not the first.

[24] One of Bin Laden’s associates claimed that Bin Laden himself led the Arab Afghans in at least two battles in Nagorno Karabakh. (Associated Press 11/14/99).

[25] Ibrahim Eidarus, later arrested in Europe by the FBI for his role in the 1998 embassy bombings, headed the Baku base of Al Qaeda between 1995 and 1997 (Strategic Policy 10/99). An Islamist in Baku claimed that they did not attack the U.S. Embassy there so as “not to spoil their good relations in Azerbaijan” (Bill of Indictment in U.S.A. vs. Bin Laden et. al. 4/01; Washington Post 5/3/01).

[26] Cooley, *Unholy Wars*, 176.

[27] Frank Viviano, *San Francisco Chronicle*, 12/18/92.

[28] 9/11 Report, 58.

[29] USA vs. Osama bin Laden, Transcript, Testimony of Jamal Ahmed al-Fadl, February 6, 2001, <http://cns.miis.edu/pubs/reports/pdfs/binladen/060201.pdf>, 300-03.

[30] Levon Sevunts, *Montreal Gazette*, 10/26/99; cf. Michel Chossudovsky, “Who Is Osama bin Laden?” Centre for Research on Globalisation, 9/12/01,

<http://www.globalresearch.ca/articles/CHO109C.html>. Those trained by ISI included the main rebel leaders Shamil Basayev and Al Khattab. Cf. Rajeev Sharma, *Pak Proxy War: A Story of ISI, bin Laden and Kargil* (New Delhi: Kaveri Books, 2002), 84, 86, 89, 91.

[31] Michael Griffin, *Reaping the Whirlwind*, 115.

[32] *Boston Herald*, 12/11/01; *New York Times*, 10/13/01; <http://ist-socrates.berkeley.edu/~pdscott/q4c.html>.

[33] *London Sunday Times*, 3/26/00. The U.S. private research firm Stratfor agrees that “Western energy companies splashed cash about in an attempt to squeeze the country for its oil and natural gas” (Stratfor, 10/16/03).

[34] European sources have also alleged that CIA meetings with the Algerian fundamentalist leader Anwar Haddam in the period 1993-95 were responsible for the surprising lack of Islamist attacks on U.S. oil and agribusiness installations in Algeria. See Richard Labivihre, *Dollars for Terror: The United States and Islam* (New York: Algora Publishing, 2000), 182-89.

For partial corroboration, cf. Cooley, *Unholy Wars*, 207; Bradford Dillon, *Middle East Policy Council Journal*, September 2001, [http://www.mepc.org/public\\_asp/journal\\_vol8/0109\\_dillman.asp](http://www.mepc.org/public_asp/journal_vol8/0109_dillman.asp).

[35] *Washington Post*, 10/4/98: "Before the meeting ended, Amoco – the largest U.S. investor in Azerbaijan's oil boom – had what it wanted: a promise from Clinton to invite the Azerbaijani president to Washington. Six months later the company, which traditionally donated heavily to the Republicans, contributed \$50,000 to the Democratic Party. In August 1997, Clinton received President Heydar Aliyev with full honors, witnessed the signing of a new Amoco oil exploration deal and promised to lobby Congress to lift U.S. economic sanctions on Azerbaijan."

[36] White House Press Statement, 8/1/97; quoted in Michael Klare, *Resource Wars: The New Landscape of Global Conflict* (New York: Metropolitan/ Henry Holt, 2001), 4; Scott, *Drugs, Oil, and War*, 30.

[37] Olivier Roy, quoted in Richard Labeviere, *Dollars for Terror: The United States and Islam* (New York: Algora, 2000), 280.

[38] Senator Hank Brown was a supporter of the Unocal project, and welcomed the fall of Kabul as a chance for stable government (Rashid, *Taliban*, 166).

[39] Griffin, *Reaping the Whirlwind*, 124.

[40] Michael Griffin, *Reaping the Whirlwind: The Taliban Movement in Afghanistan* (London: Pluto, 2001), 124.

[41] Peter Dale Scott, *Deep Politics and the Death of JFK* (Berkeley: University of California Press, 1996), 203.

[42] Alexander's Gas & Oil Connections, 10/12/98, <http://www.gasandoil.com/goc/news/ntc85031.htm>.

[43] Enron's losses on its Dabhol project approached \$900 million, and were a major factor in Enron's bankruptcy. "Cheney, Secretary of State Colin Powell and a series of other top Bush administration officials and diplomats reportedly lobbied Indian leaders to save Dabhol. OPIC documents released in January 2002 revealed that the National Security Council had intervened on behalf of Enron on the Dabhol issue" (M. Asif Ismail, "A Most Favored Corporation," *Center for Public Integrity*, 7/29/05, <http://www.publici.org/report.aspx?aid=104&sid=200>.)

[44] Scott, *Drugs, Oil, and War*, 55n.

[45] According to David Corn, Bush "claimed he had not gotten to know disgraced Enron chief Ken Lay until after the 1994 Texas gubernatorial election. But Lay had been one of Bush's larger contributors during that election and had—according to Lay himself—been friends with Bush for years before it" ( "The Other Lies of George Bush," *Nation Online*, 9/25/03).

[46] Khalid bin Mahfouz was indicted by the U.S. in connection with the failed Bank of Credit and Commerce International (BCCI).

[47] KLA representatives had met with American, British, and Swiss intelligence agencies in 1996, and possibly several years earlier (Tim Judah, *Kosovo: War and Revenge* [New Haven: Yale UP, 2002], 120).

[48] Tim Judah, *Kosovo: War and Revenge* (New Haven: Yale UP, 2002), 120.

[49] Evan F. Kohlmann, *Al-Qaida's Jihad in Europe: The Afghan-Bosnian Network* (Oxford and New York: Berg Publishers, 2004), 79. Al-Qahtani, who was killed by U.S. ordinance in Afghanistan in 2001, had previously fought in Afghanistan, Bosnia, Israel, Chechnya, and Kosovo.

[50] and an expert on the Balkans. "Milosevic is right. There is no question of their participation in conflicts in the Balkans. It is very well documented," (National Post, 3/15/02). Contrast e.g. Michael Ignatieff, *Virtual War : Kosovo and Beyond* (New York: Metropolitan/Henry Holt, 2000), 13: "the KLA, at first a small band of poorly trained and amateurish gunmen." For the al Qaeda background to the UCK and its involvement in heroin-trafficking, see also Marcia Christoff Kurop, "Al Qaeda's Balkan Links," *Wall Street Journal Europe*, 11/1/01; *Montreal Gazette*, 12/15/99.

[51] National Post, 3/15/02

[52] Scott, *Drugs, Oil, and War*, 29. "According to Michel Koutouzis, the DEA's website once contained a section detailing Kosovar trafficking, but a week before the U.S.-led bombings began, the section disappeared" (Peter Klebnikov, "Heroin Heroes," *Mother Jones*, January/February 2000, <http://www.motherjones.com/news/feature/2000/01/heroin.html>). Speaking in Kosovo in February 1998, Robert Gelbard, the U.S. special envoy to the region, said publicly that the KLA "is, without any questions, a terrorist group" (Judah, *Kosovo: War and Revenge*, 138).

[53] *Washington Times*, 5/3/99. Cf. *San Francisco Chronicle*, 5/5/99: "Officers of the Kosovo Liberation Army and their backers, according to law enforcement authorities in Western Europe and the United States, are a major force in international organized crime, moving staggering amounts of narcotics through an underworld network that reaches into the heart of Europe."

[54] See Lewis Mackenzie (former UN commander in Bosnia), "We Bombed the Wrong Side?" *National Post*, 4/6/04: "Those of us who warned that the West was being sucked in on the side of an extremist, militant, Kosovo-Albanian independence movement were dismissed as appeasers. The fact that the lead organization spearheading the fight for independence, the Kosovo Liberation Army (KLA), was universally designated a terrorist organization and known to be receiving support from Osama bin Laden's al-Qaeda was conveniently ignored..The Kosovar Albanians played us like a Stradivarius violin. We have subsidized and indirectly supported their violent campaign for an ethnically pure Kosovo. We have never blamed them for being the perpetrators of the violence in the early 1990s, and we continue to portray them as the designated victim today, in spite of evidence to the contrary. When they achieve independence with the help of our tax dollars combined with those of bin Laden and al-Qaeda, just consider the message of encouragement this sends to other terrorist-supported independence movements around the world." Cf. John Pilger, *New Statesman*, 12/13/04.

[55] George Monbiot, *Guardian*, 2/15/01.

[56] BBC News, 12/28/04. Those who charged that such a pipeline was projected were initially mocked but gradually vindicated (Guardian, 1/15/01; Scott, Drugs, Oil, and War, 34). See also Marjorie Cohn, "Nato Bombing of Kosovo: Humanitarian Intervention or Crime against Humanity?" International Journal for the Semiotics of Law, March 2002, 79-106.

[57] Klebnikov, "Heroin Heroes," Mother Jones, January/February 2000.

[58] Halifax Herald, 10/29/01, < <http://www.herald.ns.ca/stories/2001/10/29/f126.raw.html> >. Cf. Yossef Bodansky, Bin Laden: The Man Who Declared War on America [Roseville: Prima, 2001], 298: "In late 1998, despite the growing pressure from U.S. intelligence and its local allies, a new network made up of bin Laden's supporters was being established in Albania under the cover of various Muslim charity organizations.. Bin Laden's Arab 'Afghans' also have assumed a dominant role in training the Kosovo Liberation Army." Bodansky adds that by mid-March 1999 the UCK included "many elements controlled and/or sponsored by the U.S., German, British, and Croatian intelligence services.. In early April [1999] the UCK began actively cooperating with the NATO bombing-selecting and designating targets for NATO aircraft as well as escorting U.S. and British special forces detachments into Yugoslavia" (397-98). Cf. also Scott Taylor, "Bin Laden's Balkan Connections," [http://www.realitymacedonia.org.mk/web/news\\_page.asp?nid=1186](http://www.realitymacedonia.org.mk/web/news_page.asp?nid=1186) ; San Francisco Chronicle, 10/4/01.

[59] Cliff Kincaid, "Remember Kosovo?" Accuracy in Media, Media Monitor, 12/28/04, [http://www.aim.org/media\\_monitor/2393\\_0\\_2\\_0\\_C/](http://www.aim.org/media_monitor/2393_0_2_0_C/) .|

[60] Wall Street Journal Europe, 11/1/01.

[61] Yossef Bodansky, Bin Laden: The Man Who Declared War on America [Roseville: Prima, 2001], 298, 397-98ZZck.

[62] Anthony Fenton, "Kosovo Liberation Army helps establish 'Protectorate' in Haiti," citing Flashpoints interview, 11/19/04, [www.flashpoints.net](http://www.flashpoints.net) ). Cf. Anthony Fenton, "Canada in Haiti: Humanitarian Extermination," CMAQ.net, 12/8/04; <http://www.cmaq.net/fr/node.php?id=19240> .

[63] San Francisco Chronicle, 5/5/99.

[64] New York Times, 6/2/04.

[65] Robert Baer, See No Evil: The True Story of a Ground Soldier in the CIA's War on Terrorism (New York: Crown, 2002), 243-44. Cf. Scott, Drugs, Oil, and War, 31.

[66] Ahmed Rashid, Jihad: The Rise of Militant Islam in Central Asia (New Haven: Yale UP, 2002), 83.

[67] Scott, Drugs, Oil, and War, 65; Johnson, Sorrows of Empire, 172-73.

[68] Ahmed Rashid, Taliban: Militant Islam, Oil, and Fundamentalism in Central Asia (New Haven: Yale UP, 2001), 173-75, 182.

[69] Johnson, Sorrows of Empire, 137. Cf. 169: "During the 1990s and especially after Bush's declaration of a 'war on terrorism,' the oil companies again needed some muscle and the Pentagon was happy to oblige."



[70] Michael T. Klare, Blood and Oil: The Dangers and Consequences of America's Growing Dependency on Imported Petroleum (New York: Metropolitan/ Henry Holt, 2004). 6-7.

[71] Scott, Drugs, Oil, and War, 1-105, 185-207.

[72] Project for the New American Century, "Rebuilding America's Defenses: Strategy, Forces, and Resources for a New Century," September 2000, p. 51 (63), <http://www.newamericancentury.org/RebuildingAmericasDefenses.pdf> . See Chapter 10.

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