

MF04016497

Memorandum for the Record

Event: Interview of Lee Wolosky
 Type of Event: On-the-Record Interview
 Date of interview: 01/09/04
 Date memo prepared: 01/10/04
 Special Access Issues: None
 Prepared by: John Roth
 Team Number: 4
 Location: 9-11 Commission conference room, K Street
 Classification: Top Secret [redacted] 9/11 Classified Information
 Present, non-Commission: William Wechsler
 Participants-Commission: John Roth, Doug Greenburg and Warren Bass

This memorandum provides a summary of the most important points covered in the above-entitled interview, but is not a verbatim account. The memorandum is organized by subject and does not necessarily follow the order of the interview. The witness provided all of the information in this memorandum during the interview, except where noted by square brackets. The interviewers had intended to audio record this interview, but the witness indicated that his observations and answers to the questions would be different if the session were recorded, so the decision was made not to record the interview. (U)

Background

Lee Wolosky, after graduating from law school and working for four years in a large corporate New York law firm, became a fellow at the Counsel for Foreign Relations in the summer of 1999. He arrived at the NSC in April 2000 as a foreign policy fellow paid for by the CFR, assigned to Dick Clarke's directorate until his departure from the NSC in mid-July 2001. (U)

NSC Portfolio

Wolosky has an international crime portfolio, focused mostly on international organized crime, anti-money laundering issues, arms trafficking, human trafficking and counterfeiting. The terrorist financing portfolio was handled by Kurtz or Fred Rosa. Terrorist financing was not explicitly part of his duties, but there were some crossovers. Specifically, Wolosky believed that there was a crossover regarding the June 2000 FATF designations, particularly involving the Lichtenstein and Bahamian designations, which he linked to Bank al-Taqa.

[redacted] 9/11 Classified Information [redacted] He stated that there was never an attempt to tie specific operational or intelligence concerns with the FATF process. (U)

Wolosky's second intersection between his duties and terrorist financing came during his work concerning diamonds in West Africa. There were allegations of al Qaeda/Hezbollah diamond link in West Africa [redacted] 9/11 Classified Information [redacted] Additionally,

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NSC/Dick Clarke Focus

Wolosky said that Dick Clarke placed terrorist financing very high on the hierarchy of issues he dealt with. Wolosky said that Clarke was less interested in the international organized crime issues he worked on, although he would brief Sandy Berger – usually by email -- on the subject from time to time. Wolosky had no involvement, recollection or knowledge of the following issues:

- Any NSC reaction to Clinton's remark that we "must do better" regarding al Qaeda;
- NSC discussion of military reprisals from April to October 2000;
- The May 2000 terrorist finance memorandum to the President
- Post-Millennium review budget discussions
- Predator discussions
- Military response to the Cole attacks (U)

With regard to the Cole, Wolosky was not party to the Cole discussions, but does recall an attempt to get intelligence to show that al Qaeda was behind the attacks.

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Transition

Wolosky stated that the tenor and focus changed at the NSC with the new administration. To Wolosky, it appeared that they were "not interested in our issues." It appeared to Wolosky that they were more interested in missile defense and state to state issues, rather than transnational threats.¹ In December 2000, Clarke put together a strategy paper on al Qaeda to educate the new team, which seemed less interested in TNT-type issues. As part of that, Clarke put together a 100 day plan, which Wolosky said was unique to TNT, and done in an attempt to ensure that the CT agenda stayed on the radar screen. Clarke also restricted e-mail that went from the TNT staff to the national security director and her deputies in an attempt to focus and package the issues in the most compelling manner possible. Clarke lost the title and access he had held in the previous administration, and was simply another senior director. To Wolosky, terrorism was simply part of a host of issues that the administration was working on. (U)

Wolosky recalls sitting in on only one briefing in which al Qaeda was talked about. The TNT directorate sat around a table and briefed Steve Hadley on their issues. He recalls Roger Cressey making the briefing on al Qaeda in that session, in which he said, "remember,

¹ They did appear to be interested in his issues – money laundering, Russia, international organized crime, and Wolosky was to develop a comprehensive plan to address the issue; he was slated to brief the president on the issues. (This never took place.)

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its not Usama bin Ladin, its al Qaeda,” indicating that it was a group, not a single individual that posed the threat. (U)

Council on Foreign Relations Report

Wolosky stated that the conclusions and recommendations contained within the CFR report, which almost a year old, are still relevant and many of them have proved to be right on. This includes the assessment that Saudi Arabia was the source of terrorist funds, and that counterterrorism policy needs to be coordinated out of the White House, not from Treasury. When asked what additional policy recommendations he would suggest, Wolosky demurred, indicating that the Council on Foreign Relations would be coming out with a report and did not want to detract from that. (U)