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ACTION SCT-00

INFO	LOG-00	A-00	CA-02	CCO-00	SMEC-00	DOEE-00	DS-00
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	L-01	ADS-00	MMP-00	M-00	NEA-01	DCP-01	NSAE-00
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R 160757Z FEB 99  
 FM AMEMBASSY RIYADH  
 TO SECSTATE WASHDC 6665  
 INFO AMEMBASSY BEIRUT  
 AMEMBASSY CAIRO  
 AMEMBASSY ISLAMABAD  
 AMEMBASSY LONDON  
 AMEMBASSY PARIS  
 CIA WASHDC  
 NSC WASHDC  
 SECDEF WASHDC  
 USDOC WASHDC 0953  
 GCC COLLECTIVE

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DEPT FOR NEA/ARP; LONDON FOR SUTPHIN; PARIS FOR LEAF

E.O. 12958: DECL: 02/09/09  
TAGS: PGOV, PTER, ASEC, SA

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PAGE 02 RIYADH 00475 01 OF 03 160833Z  
SUBJECT: THE SAUDI BINLADIN GROUP: BUILDERS TO THE KING

CLASSIFIED BY DCM ALBERT THIBAUT, REASONS 1.5 (B&D).

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SUMMARY AND INTRODUCTION  
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1. (C) BEFORE THE NAME OF USAMA BIN LADIN BECAME NOTORIOUS AND SYNONYMOUS (IN THE WEST, AT LEAST) WITH TERRORISM, THE BINLADIN NAME WAS WELL AND FAVORABLY KNOWN THROUGHOUT SAUDI ARABIA AND THE MIDDLE EAST FOR OVER HALF A CENTURY. BUILDERS OF CHOICE TO THE SAUDI ROYAL FAMILY, AND ENTRUSTED WITH THE MOST IMPORTANT AND PRESTIGIOUS BUILDING PROJECTS, THE SAUDI BINLADIN GROUP (SBG) HAS

UNITED STATES DEPARTMENT OF STATE  
REVIEW AUTHORITY: JOHN S BLODGETT  
CLASSIFICATION: SECRET REASON: 1.4(D)  
DECLASSIFY AFTER: 16 FEB 2019  
DATE/CASE ID: 23 OCT 2006 200602966

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SUFFERED FROM THE TARNISHING OF THE FAMILY'S GOOD NAME. SBG HAS SOUGHT TO MAKE CLEAR THAT IT HAS NO LINKS WITH THE ISLAMIST FANATIC (AND HALF BROTHER) USAMA BY PUBLICLY AND UNEQUIVOCALLY CONDEMNING HIS ACTIONS AND TAKING THE NECESSARY LEGAL STEPS TO ENSURE THAT ALL CONNECTIONS HAVE BEEN SEVERED.

B1

END SUMMARY AND INTRODUCTION

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THE SAUDI BINLADIN GROUP: OVERVIEW  
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2. (U) HEADQUARTERED IN JEDDAH, THE SAUDI BINLADIN GROUP (SBG) IS  
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ONE OF SAUDI ARABIA'S LARGEST BUSINESS GROUPS. KNOWN AS BUILDERS TO THE KING, THE SBG'S BUSINESS INCLUDES CONSTRUCTION, INDUSTRIAL AND POWER PROJECTS, PETROLEUM, CHEMICALS AND MINING, TELECOMMUNICATIONS, OPERATIONS AND MAINTENANCE, MANUFACTURING, TRADING, AND SATELLITE COMMUNICATIONS. THE FIRM'S ESTIMATED NET WORTH IS USD ONE BILLION, AND IT EMPLOYS SOME 35,000 PEOPLE. THE COMPANY HAS BEEN THE SAUDI GOVERNMENT'S PRIME CONTRACTOR FOR BUILDING THE KINGDOM'S HIGHWAYS, WAS IN CHARGE OF THE SIX BILLION DOLLAR PROJECT TO RENOVATE AND EXPAND THE HOLY MOSQUES IN MECCA AND MEDINA, AND HAS BUILT MANY OF THE PALACES OCCUPIED BY SENIOR MEMBERS OF THE ROYAL FAMILY. IT ALSO HAD A ONE BILLION DOLLAR JOINT VENTURE WITH GENERAL ELECTRIC TO BUILD A POWER PLANT IN RIYADH, AND IS BUILDING HOUSING FOR U.S. MILITARY FORCES AT BOTH ESKAN VILLAGE IN RIYADH AND PRINCE SULTAN AIRBASE NEAR AL-KHARJ. THE COMPANY HAS SUBSIDIARIES AND OFFICES IN CANADA, CYPRUS, EGYPT, FRANCE, GERMANY, JORDAN, INDONESIA, ITALY, LEBANON, MALAYSIA, SPAIN, SWITZERLAND, UAE, THE U.K. AND THE U.S. AMONG THE COMPANY'S MAJOR INTERNATIONAL CONSTRUCTION PROJECTS IS THE RUNWAY CONSTRUCTION AT THE NEW INTERNATIONAL AIRPORT IN KUALA LUMPUR.

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BINLADIN GROUP ORIGINS  
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3. (C) THE SAUDI BINLADIN GROUP WAS ESTABLISHED IN 1990, IN A REORGANIZATION OF THE GROUP OF BUSINESSES FOUNDED IN 1931 BY MUHAMMAD BIN AWAD BIN LADIN, A YEMENI WHO EMIGRATED TO JEDDAH. MUHAMMAD BIN LADIN STARTED OUT AS A BRICKLAYER FOR ARAMCO. LACKING FORMAL EDUCATION, HE NONETHELESS PICKED UP THE PRACTICAL ASPECTS OF CIVIL ENGINEERING AND WAS REPUTED TO BE AN EXCELLENT PLANNER AND BUSINESSMAN AS WELL. HE SPECIALIZED IN ROADS AND CIVIL WORKS AND  
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DEVELOPED A SPECIAL RELATIONSHIP WITH KING ABD AL-AZIZ. BY THE  
TIME OF HIS UNTIMELY DEATH IN A PLANE ACCIDENT IN 1966, HIS COMPANY  
HAD BEEN ENTRUSTED BY THE ROYAL FAMILY TO BUILD THE STRATEGIC  
NETWORK OF ROADS NEAR YEMEN.

4. (U) MUHAMMAD BIN LADIN HAD 54 CHILDREN. 19 OF HIS SONS ARE SBG  
PARTNERS, BUT ONLY 9 OR 10 ARE ACTIVELY INVOLVED IN RUNNING THE  
COMPANY. SBG'S SENIOR DIRECTORS INCLUDE: BAKR BINLADIN, CHAIRMAN;  
YAHYIA BINLADIN, DEPUTY CHAIRMAN; HASSAN BINLADIN, SENIOR VICE  
PRESIDENT; AND SALEH BINLADIN, SENIOR VICE PRESIDENT.

5. (U) SBG'S 19 PARTNERS ARE: ABDELAZIZ BINLADIN, ABDULLAH  
BINLADIN, AHMAD BINLADIN, AISSA BINLADIN, BAKR BINLADIN, GHALIB  
BINLADIN, HASAN BINLADIN, HAYDAR BINLADIN, KHALID BINLADIN, KHALIL  
BINLADIN, MUHAMMAD BINLADIN, MAHROUS BINLADIN, SA'D BINLADIN, SALIH

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INFO	LOG-00	A-00	CA-02	CCO-00	SMEC-00	DOEE-00	DS-00
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FM AMEMBASSY RIYADH  
TO SECSTATE WASHDC 6666  
INFO AMEMBASSY BEIRUT  
AMEMBASSY CAIRO  
AMEMBASSY ISLAMABAD  
AMEMBASSY LONDON  
AMEMBASSY PARIS  
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NSC WASHDC

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USDOC WASHDC 0954  
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BINLADIN, TARIQ BINLADIN, THABIT BINLADIN, UMAR BINLADIN, YAHYIA  
BINLADIN, AND YASSIR BINLADIN.

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RELATIONSHIP WITH THE ROYAL FAMILY  
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6. (C) THE SAUDI BINLADIN GROUP HAS CLOSE TIES TO THE ROYAL FAMILY,  
WHICH, AS MENTIONED ABOVE, DATE BACK TO THE DAYS OF KING ABD AL-  
AZIZ. COMPANY CHAIRMAN BAKR BIN LADIN IS SAID TO BE A CLOSE  
ASSOCIATE OF KING FAHD. IN ADDITION TO BEING ENTRUSTED WITH THE  
EXPANSION OF THE TWO HOLY MOSQUES AND WITH BUILDING MANY OF THE  
KING'S PERSONAL RESIDENCES AND OFFICIAL COMPLEXES, BAKR HAS BEEN A  
REGULAR ATTENDEE AT MAJLISES AND DINNERS GIVEN BY THE KING AND THE  
CROWN PRINCE. BAKR IS ALSO SAID TO BE CLOSE TO RIYADH GOVERNOR  
PRINCE SALMAN.

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SBG TIES WITH USAMA BIN LADIN  
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7. (U) AS ONE OF MUHAMMAD BINLADIN'S 54 CHILDREN, USAMA BIN LADIN  
WORKED IN AND RECEIVED A SHARE OF THE FAMILY BUSINESS. HE WAS  
LISTED AS A FOUNDING PARTNER OF SBG IN 1990. HOWEVER, BY THE EARLY  
1990S USAMA NO LONGER WORKED FOR THE COMPANY, AND HIS TIES WITH THE  
SAUDI BINLADIN GROUP WERE OFFICIALLY SEVERED IN JUNE 1993, PURSUANT  
TO A RESOLUTION OF THE COMPANY'S BOARD OF DIRECTORS. THE TEXT OF  
THE RESOLUTION WAS SUBMITTED TO THE SAUDI GOVERNMENT AND PUBLISHED  
IN LOCAL SAUDI NEWSPAPERS. BINLADIN GROUP CHAIRMAN BAKR BIN LADIN

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ISSUED A STATEMENT IN 1994 DISASSOCIATING HIS COMPANY FROM AND  
CONDEMNING HIS HALF-BROTHER'S ACTIONS. IN SEPTEMBER 1998,  
(PROBABLY DUE TO USG SANCTIONS AND FREEZING OF USAMA BIN LADIN'S

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ASSETS) THE COMPANY ISSUED THE FOLLOWING STATEMENT ON USAMA BIN LADIN:  
BEGIN TEXT:

AS CHAIRMAN OF THE SAUDI BINLADIN GROUP, I HEREBY ISSUE THE FOLLOWING DECLARATIONS ON OUR POSITION VIS-A-VIS THE SUBJECT, USAMA BIN MUHAMMAD BIN AWAD BIN LADIN (AKA USAMA BIN LADIN):

(1) USAMA BIN LADIN POSSESSES NO LEGAL OR BENEFICIAL INTEREST WHATSOEVER (DIRECTLY OR INDIRECTLY) IN SAUDI BINLADIN GROUP OR ANY OF ITS SUBSIDIARIES, AFFILIATES, OR OTHER ENTITIES WHICH FORM PART OF THE BINLADIN GROUP.

(2) USAMA BIN LADIN POSSESSES NO INTEREST WHATSOEVER (DIRECTLY OR INDIRECTLY) IN ANY ASSETS OR ANY OTHER PROPERTY BELONGING TO THE SAUDI BINLADIN GROUP OR ANY OF ITS SUBSIDIARIES, AFFILIATES OF OTHER ENTITIES WHICH FORM PART OF THE SAUDI BINLADIN GROUP.

(3) USAMA BIN LADIN POSSESSES NO CONTRACTUAL, BUSINESS OR ANY OTHER RELATIONSHIP WHATSOEVER (DIRECTLY OR INDIRECTLY) IN ANY ASSETS OR ANY OTHER PROPERTY BELONGING TO THE SAUDI BINLADIN GROUP OR ANY OF ITS SUBSIDIARIES, AFFILIATES OF OTHER ENTITIES WHICH FORM PART OF THE SAUDI BINLADIN GROUP.

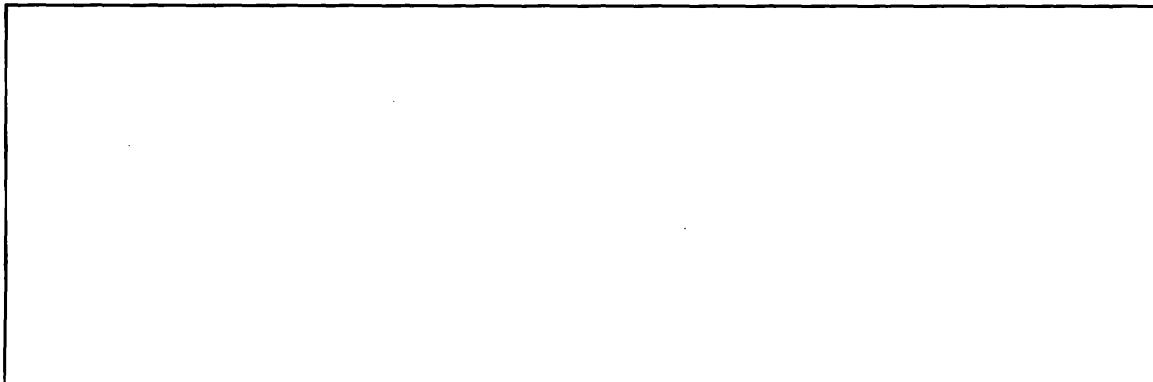
(4) USAMA BIN LADIN IS NOT FUNDED DIRECTLY OR INDIRECTLY BY THE SAUDI BINLADIN GROUP OR ANY OF ITS SUBSIDIARIES, AFFILIATES OF OTHER ENTITIES WHICH FORM PART OF THE SAUDI BINLADIN GROUP.

ISSUED IN JEDDAH, KINGDOM OF SAUDI ARABIA, ON THE 5TH DAY OF  
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SEPTEMBER 1998. BAKR MUHAMMAD BINLADIN, CHAIRMAN, SAUDI BINLADIN  
GROUP.

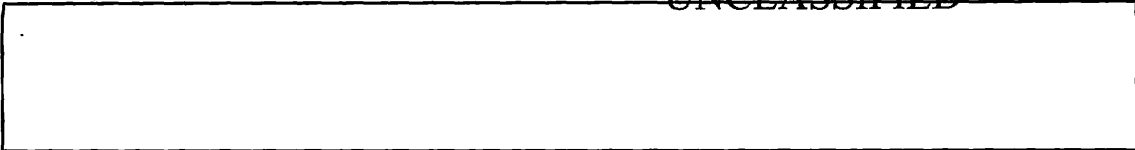
END TEXT OF SBG STATEMENT

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BINLADIN FAMILY TIES TO USAMA  
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INFO	LOG-00	A-00	CA-02	CCO-00	SMEC-00	DOEE-00	DS-00
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	MR-00	NFAT-00	SAS-00	SWCI-00	/016W		

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 AMEMBASSY PARIS  
 CIA WASHDC  
 NSC WASHDC  
 SECDEF WASHDC  
 USDOC WASHDC 0955  
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SUBJECT: THE SAUDI BINLADIN GROUP: BUILDERS TO THE KING

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PARTNERSHIPS WITH U.S. COMPANIES  
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9. (U) THE SAUDI BINLADIN GROUP HAS HAD A NUMBER OF PARTNERSHIPS WITH MAJOR U.S. COMPANIES, MOST NOTABLY,

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--A PARTNERSHIP WITH ENRON INTERNATIONAL FOR A FAILED BID ON THE 1.2 BILLION SHUAIBA POWER PLANT PROJECT; AND

--A JOINT VENTURE WITH GE AND FLUOR DANIEL ON POWER PLANT 9 IN RIYADH FOR SCECO CENTRAL.

THE COMPANY HAS ALSO HAD PARTNERSHIPS WITH RAYTHEON AND BECHTEL ON OTHER PROJECTS IN THE KINGDOM. THE COMPANY'S U.S. OFFICE, SBG-USA, INC IS LOCATED AT 1700 ROCKVILLE PIKE, SUITE 400, ROCKVILLE, MD., 301-998-6165, FAX: 301-881-6898. THE OFFICE IS HEADED BY FORMER FSO PHILIP J. GRIFFIN.  
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