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**From:** "Abedin, Huma" <SBUSTATE/SES/RECIPIENTS/ABEDINH>

**Sent:** 9/1/2011 8:35:09 AM +00:00

RELEASE IN PART  
B4,B5,B7(E),B6

**To:** 'hdr22@clintonemail.com'

**Subject:** Fw: (SBU) proposed answer to UAE re funds transfer for TNC

**From:** Feltman, Jeffrey D

**Sent:** Thursday, September 01, 2011 02:44 AM

**To:** Sullivan, Jacob J; Abedin, Huma; Wells, Alice G

**Subject:** FW: (SBU) proposed answer to UAE re funds transfer for TNC

Jake, Huma, Alice –

You might want to give S a head's up on something, in case AbZ pulls her aside today in Paris. AbZ, whom I met last night, blasted me. He said that the UAE yesterday (Wednesday) had sent \$370 million in UAE cash to the TNC, to be able to announce in Paris that the UAE had provided salary support for Eid al-Fitr. The funds were immediately blocked as they transited the U.S. financial system; we blocked them. This was not Libyan money or frozen assets; this was a UAE direct loan, based on the UAE using the Libyan frozen assets in the UAE as a type of UAE-based "soft collateral." He was furious.

We've scratched around. The UAE sent the money to the Libyan Arab Foreign Bank (also called the Libyan Foreign Exchange Bank), which is a specifically sanctioned entity by the UN. (It's one of the three we hope to lift sanctions from, but for the moment it is sanctioned.) So I asked the desk to work with L and EEB to give us language, below.

I have already contacted AbZ's assistant (as AbZ is still getting his beauty rest) to give him the points below. But S should be aware of this issue.

Cheers,

Jeff

SBU

This email is UNCLASSIFIED.

**From:** Sidereas, Evyenia M  
**Sent:** Thursday, September 01, 2011 1:00 AM  
**To:** Bondy, Steven C; Feltman, Jeffrey D; Maxwell, Raymond D; Seche, Stephen A  
**Cc:** Roebuck, William V; Fischer, Patrick J; NEA-Staff-Assistants-DL; Abdalla, Alyce N  
**Subject:** (SBU) proposed answer to UAE re funds transfer for TNC

Steve, thank you.

A/S Feltman,

OFAC advised us in the last 30 minutes they believe the funds have not yet been sent by the National Bank of Abu Dhabi (NBAD). L and EEB recommend the following response to the UAE:

B5

Please let us know if you have any questions. Apologies for the delay in getting back to you.

Best,

Evyenia

SBU

This email is UNCLASSIFIED.

**From:** Bondy, Steven C

**Sent:** Wednesday, August 31, 2011 6:20 PM

**To:** Feltman, Jeffrey D; Maxwell, Raymond D; Seche, Stephen A

**Cc:** Roebuck, William V; Sidereas, Evyenia M; Fischer, Patrick J

**Subject:** FW: Funds Transfer for TNC

FYI. I don't have any good answers for him but wanted you to know his response and outreach on this issue. Regards,  
Steve

SBU

This email is UNCLASSIFIED.

**From:** Yousef Al Otaiba [redacted]  
**Sent:** Wednesday, August 31, 2011 6:13 PM  
**To:** Bondy, Steven C  
**Cc:** Dennis Ross; Puneet Talwar  
**Subject:** RE: Funds Transfer for TNC

B6

Steve,

I've discussed this issue with [redacted] earlier today and he assured me they will do their best to address this issue.

B5

My only worry regarding having the funds returned to Abu Dhabi is that it will take up more time plus banks in the UAE are closed for the next 6 days for Eid holidays.

For the sake of speed and insuring the TNC is able to meet salary payrolls, we would welcome any other solution which does not see those funds being returned to Abu Dhabi.

Yousef

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Subject: Funds Transfer for TNC  
Date: Wed, 31 Aug 2011 17:56:28 -0400  
From: BondySC@state.gov  
To:

B6

Dear Ambassador,

I'm writing to alert you to an issue you likely are already aware of. Foreign Minister Shaikh Abdullah bin Zayed told Assistant Secretary Feltman today in Paris that the UAE is attempting to transfer \$370 million in funds to the TNC. However, there is a problem with the transaction because the Libyan Arab Foreign Bank (LAFB) is listed as the destination, and LAFB is subject to UN sanctions. The National Bank of Abu Dhabi, which initiated the transaction, routed the funds through the U.S. banking sector and, recognizing LAFB as a designated institution, the funds were blocked.

The U.S. Department of the Treasury is working to unblock the funds as soon as possible and return them to the National Bank of Abu Dhabi. Treasury suggests that the safest way to transmit funds to the TNC at this time is by way of the Temporary Financing Mechanism. The information on using the TFM is below. You may want to explore with Treasury other possible options.

The United States is grateful for the UAE's continued leadership on Libya and wants to make sure that the UAE's transfer process is able to proceed without further problems. Please let me know if you have any questions and I will answer them to the best of my ability.

Best regards, Steve

**Temporary Financing Mechanism Account Information**

Doha Bank

Corporate Branch

Grand Hamad Avenue

Doha, Qatar

SWIFT Code:

B4

USD Account:

B4

Account Name: Temporary Financing Mechanism A/c Transitional National Council of Libya

***Steven C. Bondy***

Director, NEA/ARP

Arabian Peninsula Affairs

202-647-6184

Fax: 202-736-4459

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PR\_RIM\_MSG\_REF\_ID:

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