

***Palestinian Authority President Abbas plans to use the Palestinian Investment Fund to build housing for terrorists
Congressmen ask for investigation into U.S. contributions to the PIF and whether the Palestinian Authority is using U.S. funds in their unilateral pursuit of statehood***

Washington, DC — Reps. Steve Israel (D – NY) and Ted Deutch (D – FL) are calling on the Government Accountability Office (GAO) to investigate the use of U.S. funds by the Palestinian Authority. The Congressmen are calling for the inquiry following reports that Palestinian Authority President Mahmoud Abbas plans to use the Palestinian Investment Fund (PIF) to build housing for terrorists just released in the prisoner swap with Israel. The Congressmen also asked for the GAO to investigate whether any U.S. Economic Support Funds are going toward the Palestinian Authority's unilateral pursuit of statehood.

“We have a foreclosure crisis in the United States and we’re struggling to keep American families in their homes. Now we learn that U.S. taxpayer dollars could be going to build homes for terrorists? This is outrageous.” said Rep. Israel. “I’m asking for a full accounting of how U.S. funds are being used by the Palestinian Authority.”

“The United States does not provide economic support funds to the Palestinian Authority to build new homes for terrorists or fund President Abbas' anti-Israel campaign trips through Europe. The American people do not want their taxpayer dollars funding any activity that runs counter to the security of our nation or our ally Israel. We have a responsibility to ensure the Palestinian Authority is abiding by U.S. law with total transparency,” said Rep. Deutch.

Below is the full letter from the Congressmen:

November 21, 2011

Mr. Gene Dodaro
Comptroller General of the United States
U.S. Government Accountability Office
441 G St., NW, Room 7100
Washington, DC 20548

Dear Mr. Dodaro,

We write to you with great concern over reports that Palestinian Authority President Mahmoud Abbas plans to use the Palestine Investment Fund (PIF) to build housing for Palestinian prisoners recently released in exchange for Israeli soldier Gilad Shalit.

Many of the released prisoners were convicted of orchestrating and carrying out Hamas-sponsored terrorist attacks in Israel, including the bombing of a Tel Aviv nightclub that killed 21 people, the attack on a Netanya hotel that killed 29 people, and the bombing of a Sbarro Pizzeria that killed 15 people. We are troubled by reports of President Abbas' use of PIF funds to provide housing for these convicted terrorists.

When Palestinian Authority Prime Minister Salam Fayyad created the PIF in 2002, he did so under a framework of transparency and accountability. In addition to the reports that the PIF will be used to build houses for convicted terrorists, we are concerned about the increasing lack of transparency for the PIF as well as reports that Prime Minister Fayyad is no longer overseeing the fund and that Hamas has taken control of PIF assets in Gaza.

The possibility that Hamas is controlling aspects of the PIF is particularly troubling given the ambiguity surrounding the amount of U.S. taxpayer dollars contributed to the PIF. The U.S. Agency for International Development as well as the Overseas Private Investment Corporation have contributed \$2 million and \$241 million respectively to the PIF's Affordable Mortgage and Loan program. It is for these reasons we respectfully request that the GAO immediately begin an investigation into the scope and nature of U.S. contributions to the PIF.

The U.S. provides the Palestinian Authority with an average of \$200 million per year of Economic Support Funds (ESF) directly for Palestinian Authority budgetary operations. President Abbas has spent the past year traveling to Europe and South America lobbying for support on his misguided attempt to unilaterally declare statehood at the United Nations. We must be sure that U.S. taxpayer money is not being used to fund such efforts that are in direct contravention of U.S. policy. Therefore, we also request the GAO begin an immediate investigation into whether or not any U.S. ESF monies are being used to fund Mr. Abbas' extensive lobbying to achieve a Palestinian state by any means other than direct negotiations with Israel.

The United States must be unequivocally committed to ensuring that American taxpayer dollars are used to serve the interests of the United States and our allies around the world. We appreciate your prompt attention to this matter.

Sincerely,

Steve Israel
Member of Congress

Ted Deutch
Member of Congress