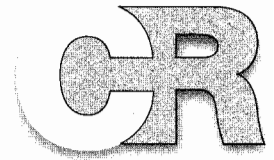


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Our Ref : CD/ED/7496.3
Date : 17 January 2006



Carter-Ruck

The Rt. Hon. Gordon Brown MP
Chancellor of the Exchequer
H. M. Treasury
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Dear Mr Brown

Interpal

I act for the Palestinian Relief and Development Fund, the registered charity more generally known as Interpal, and I write upon the instruction of its Trustees following the recent publication in the media of a number of items concerning its status and activities.

Andrew Stephenson
Alasdair Pepper
Guy Martin
Nigel Tait
Mark Thomson
Ruth Collard
Cameron Doley
Claire Gill
Adam Tudor

Consultant
Paul Wheeler

As you may be aware, these items have focused upon claims that Interpal acts as a fund-raising organisation for the Palestinian militant group Hamas. Although these claims have long been advanced by the Israeli authorities and their supporters, they are wholly without foundation, a fact which Interpal had always understood to be recognised by Her Majesty's Government. The Trustees were therefore concerned to read in last weekend's edition of the Sunday Telegraph that the Economic Secretary to the Treasury is to meet with the Israeli Ambassador, supposedly upon the advice of the intelligence services, to hear the latter's demands that 'action' be taken against Interpal.

Partnership Secretary
Michael Croxford

Interpal's Trustees cannot, of course, know whether, and if so to what extent, the Sunday Telegraph's story is correct. They are, however, extremely concerned at the possibility that the Government might be prevailed upon to give credence to allegations having no substance in fact and might, in consequence, be persuaded to take steps which would prevent Interpal from continuing its charitable work on behalf of people who are among the most deprived on earth. It is in this context that I am instructed to write to you.

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Interpal is a non-political, non-profit making British charity that focuses solely upon the provision of relief and development aid to the poor and needy of Palestine without reference to political or religious affiliation. At all times since its inception in 1994 it has been registered with, and regulated by, the Charity Commission for England and Wales. It has always granted the Charity Commission wholly unfettered access to its records, which not only document each and every source of its funding but also contain a comprehensive audit trail in relation to every sum disbursed in the Occupied Territories and elsewhere, identifying the local charities with whom Interpal works in partnership as well as the ultimate beneficiaries of its aid. Interpal's local partners are also identified in those publicly available audited accounts that are filed by it annually with the Charity Commission.



The Charity Commission has twice undertaken investigations into Interpal. On the first occasion, following allegations received by it from a still unidentified source in 1996, the Commission concluded that the charity was *"a well run and committed organisation which carried out important work in a part of the world where there is great hardship and suffering"* and which, to the best of its ability, took *"every possible step to ensure that [its] donations only go to charitable purposes, helping the poor and needy"*. The same report ended with the words *"We found no evidence in the charity of any pro-terrorist bias, or indeed bias of any kind"*.

The second Charity Commission investigation was prompted by President Bush's designation of Interpal as an SDGT in August 2003. This investigation concluded a month later when the Charity Commission reported that *"The US Authorities were unable to provide evidence to support the allegations made against Interpal within the agreed timescale"* and that *"in the absence of any clear evidence showing Interpal had links to Hamas' political or violent militant activities"* the charity's bank accounts should be unfrozen and the investigation closed. I would mention that, in the aftermath of this second investigation, my firm itself requested that the Office of Foreign Assets Control at the U.S. Treasury provide details of the grounds upon which the U.S. Government had designated Interpal. Such details have, however, never been forthcoming.

The Trustees of Interpal have also been successful when they have found themselves compelled to take legal action in relation to the publication of material purporting to link the charity with Hamas. In 1998, having published an article suggesting that Interpal raised money for Hamas which was used to fund suicide bombings, the Sunday Telegraph was obliged to withdraw, and publicly apologise for, its allegations and, amongst other things, to undertake never to republish them thereafter. More recently, in September 2003, the Board of Deputies of British Jews published an item on its website linking Interpal with Hamas and describing the former as a terrorist organisation. This resulted in protracted and extremely substantial litigation in which (we understand with the active support of the Israeli authorities) the Board of Deputies attempted to demonstrate the truth of its allegations. It was, however, compelled to abandon these efforts and during the course of last month it settled upon terms which involved the publication of an unequivocal apology on its website (the remaining terms of settlement being confidential upon the Board's insistence). Thus two organisations well able to afford to fight to justify allegations published by them of Interpal involvement in Hamas terrorism have, when confronted with the evidence, elected to withdraw those allegations and to apologise rather than to submit their original contentions to determination by the court. The Trustees of Interpal would suggest that this tells its own story.

Interpal is, in the words of the Charity Commission, *"a well run and committed organisation which carried out important work in a part of the world where there is great hardship and suffering [without] any pro-terrorist bias, or indeed bias of any kind"*. It is keenly supported by the Muslim community in the United Kingdom and indeed, its Trustees believe, it is warmly regarded by those of all faiths, both here and overseas, who have a genuine interest in the relief of the traumatic suffering endured by a large proportion of the Palestinian population. It operates in a most transparent fashion and in accordance with the laws of this country under the supervision of the Charity Commission. If Her Majesty's Government is in any way concerned at any aspect of Interpal's work it has only to raise its concerns with the Trustees in order to receive their fullest possible cooperation. However, it would, with respect, be wholly wrong for the representative of a foreign government, motivated by its own political considerations and purposes, to be permitted to prevail upon the authorities in this country to take action against a legitimate British charity without its representations first being subjected to detailed and independent investigation by the appropriate regulatory body in the form of the Charity Commission.

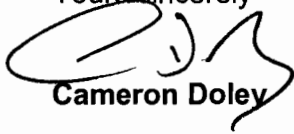
If I can be of any further assistance to you regarding any of the matters referred to above then please do not hesitate to contact me.

Please note that a copy of this letter is being sent to the Secretary of State for Foreign and Commonwealth Affairs whose Department has previously been so kind as to receive



representations on behalf of the Trustees of Interpal regarding the charity's designation by the U.S. Government.

Yours sincerely



Cameron Doley

c.c. The Rt. Hon. Jack Straw, Secretary of State for Foreign and Commonwealth Affairs.