

**Testimony of Steven Emerson**  
**Before the**  
**House Subcommittee on National Security, Veterans Affairs and International Relations of**  
**the House Committee on Government Reform**

**An Investigation into the Modus Operandi of Terrorist  
Networks in the United States: The Structure of Osama Bin  
Laden, Al-Qaeda, Hamas and other Jihadist Organizations  
in the United States**

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Steven Emerson is an internationally recognized expert on terrorism and national security, a correspondent, and an author who also serves as the Executive Director of The Investigative Project. Mr. Emerson started The Investigative Project in late 1995 following the broadcast of his documentary film, "Jihad in America," on public television. The film exposed video of clandestine operations of militant Islamic terrorist groups on American soil. For the film, Mr. Emerson received numerous awards including the George Polk Award for best television documentary, one of the most prestigious awards in journalism. He also received the top prize from the Investigative Reporters and Editors Organization (IRE) for best investigative report in both print and television for the documentary. The award from the IRE was the fourth such award he had received from that group.

Since 1996, Mr. Emerson has testified more than a dozen times before Congress on such topics as the terrorist infrastructure in the US, Palestinian violations of the Oslo accords, the protection of America's national infrastructure, and the threat of Islamic fundamentalism against the United States and the West. He regularly appears in the Wall Street Journal op-ed page as well as numerous other publications, and gives frequent interviews to television networks throughout the United States and abroad.

Mr. Emerson first worked for the U.S. Senate Foreign Relations Committee starting in 1977. He then became a freelance writer in 1982, writing primarily for the New Republic. Mr. Emerson is the author of four books. He published his first book in 1985, "The American House of Saud: The Secret Petrodollar Connection." Mr. Emerson joined US News and World Report magazine in 1986 as the national security correspondent where he published two more books: "Secret Warriors" and "The Fall of Pan Am 103: Inside the Lockerbie Investigation." In 1990, Mr. Emerson joined CNN as a special investigative correspondent. In 1993, Mr. Emerson left CNN to begin work on his PBS "Jihad in America" documentary that aired at the end of 1994.

**An Investigation into the Modus Operandi of Terrorist Networks in the United States:  
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the United States**

**Executive Summary**

On September 11, 2001, nearly 7,000 Americans were executed, most of them incinerated in the worst terrorist attack on American soil in the history of the United States. In the wake of this attack, the President of the United States has declared a war against the terrorists.

In the war on terrorism, the military component poses the greatest strategic challenge and incurs the greatest potential for American casualties. But from the widest political perspective, the greatest challenge to the United States is the ability to recognize terrorist groups operating under false cover and veneer. Clearly, the success of Osama Bin Laden and his Al-Qaeda network has demonstrated, with murderous consequences, the ability of terrorist groups to hide under the facade of “human rights,” “charitable” and “humanitarian” cover. In addition, the ability of militant Islamic groups to hide under the protection of the larger non-violent and peaceful Islamic community has created a challenge for policymakers and officials, the likes of which has not been present before in American society.

As someone who has tracked and investigated the activities of Osama Bin Laden and militant Islamic fundamentalist networks for the past eight years, I am presenting in the following testimony the results of my recent investigations into the operations of terrorist networks in the United States.

The basic findings of my investigative findings are summarized as follows:

- Osama Bin Laden has systematically recruited American passport holders (like Wadih El Hage, now in prison for his role in the 1998 bombings of the United States embassies in Kenya and Tanzania) in order to exploit the ease in which these operatives can travel freely around the world as well as ship American communications technology to the Bin Laden network.
- Bin Laden recruited a United States Special Forces sergeant who then became the secret head of security for Bin Laden, while serving as a triple agent, pretending to assist the FBI on counterterrorism matters, even though he was serving as a top aide to Bin Laden.
- Bin Laden has created front organizations serving under false cover as groups with missions officially tethered to “human rights,” “charitable” and “humanitarian” purposes. The most striking and hitherto secret organization serving under the false “human rights” facade was created by Bin Laden with offices in London (England), Kansas City (Missouri) and Denver (Colorado).

- Hamas has created a network of cover groups, “humanitarian organizations” and commercial companies in the United States.
- Militant Islamic groups based and headquartered in the United States have exhorted their followers, behind closed doors and out of the earshot of the American public and media, to carry out and raise funds for *Jihad* (in this sense, referring to the concept of “holy war”).
- Bin Laden has created, exploited and utilized a network of established charitable conduits throughout the world, including those headquartered in the United States, Kenya, Saudi Arabia and the Philippines.
- The United States government has been unwittingly used to provide financing to militant Islamic “charities” including one directly tied to the terrorist-supporting regime of Sudan.
- The Islamic Jihad terrorist group secretly set up its headquarters in the United States to promote the Islamic Jihad terrorist organization under the false cover of an academic institute connected to the University of South Florida and a “humanitarian” front group.

## **I. *Modus Operandi* of Terrorist Organizations within the United States**

Foreign terrorist organizations have utilized numerous modes of operation within the United States to facilitate their fundraising goals. Their infiltration into American society has occurred through the usage of domestic universities, establishment of innocuous-sounding non-governmental organization entities, and through the utilization of “front” corporations – whether they be domestic or foreign corporations with branches within the United States. The following are examples of these various *modus operandi* from actual situations within the United States.

### **A. U.S. Passport Holders: Terrorist Candidates**

American passport holders are recruited by terrorist groups enabling these operatives to move easier, risking less suspicion than their counterparts who hold foreign passports. There are documented cases of individuals traveling in and out of the United States on their American passports to deliver money, weapons and technical equipment such as satellite phones. This method of operation is used by various terrorist groups such as Hamas who used Muhammad Salah, an American naturalized citizen, to travel to Israel using his American passport to enter Palestinian territories carrying hundreds of thousands of dollars.

The Al-Qaeda network used various U.S. passport holders such as Wadih El Hage, a 40-year-old naturalized American citizen from Lebanon who was convicted earlier this year for the 1998 embassy bombings in Kenya and Tanzania.

FBI Special Agent Robert Miranda testified in 2001 at the trial of Wadih El Hage and others for their roles in the bombings of the United States embassies in Kenya and Tanzania regarding an interview he conducted with El-Hage on August 20, 1998:

Q: Did he indicate to you why it was that he was asked to work for Usama Bin Laden?

Miranda: Yes. He said that because he had an American passport, Usama Bin Laden wanted him to work for him because he could travel more freely and buy things for Bin Laden.<sup>1</sup>

One of Wadih El-Hage's attorneys, Sam Schmidt, emphasized this point even further at the same trial by stating:

The evidence will show that Wadih El Hage was hired by Bin Laden to work in the Sudan, not only because he was well- educated, a hard worker, honest, responsible and a devout Muslim, but, yes, he was an American free to travel throughout the world on American passport.<sup>2</sup>

Wadih El-Hage served as Osama Bin Laden's personal secretary in the early 1990's. In 1994, Mr. El-Hage moved to Kenya to set up businesses for Bin Laden to be used as terrorist fronts. Mr. Hage's business card shows him as a director of Anhar Trading, a company with addresses in Hamburg, Germany, and Arlington, Texas.<sup>3</sup>

U.S. passport holders Tarik Hamdi and Ziyad Khaleel illustrate another example of Al-Qaeda's use of American citizens. Hamdi and Khaleel delivered a satellite telephone and battery pack to Osama Bin Laden in Afghanistan in May 1998. Using this phone, Bin Laden conferred with followers across the globe and, according to prosecutors, ordered the bombing of the two American embassies in East Africa. Hamdi, a resident of Herndon, Virginia, traveled to Afghanistan with an ABC News team in order to coordinate an interview with Bin Laden. The phone itself was purchased by Khaleel.<sup>4</sup>

In the same trial as mentioned above, an employee of O'Gara Satellite Networks testified on the sale of an INMARSAT phone to Ziyad Khaleel, a resident of Columbia, Missouri. This phone was allegedly for the exclusive use of Osama Bin Laden.<sup>5</sup> Khaleel purchased additional phone accessories and asked that the equipment be mailed to: Tarik Hamdi at 933 Park Avenue in Herndon, Virginia 20170.<sup>6</sup>

In the trial transcripts on March 27, Hamdi's name was mentioned time and again regarding the satellite phone issue and a letter from ABC World News Tonight requesting an interview with Bin Laden, dated May 13, 1998 and addressed to Bin Laden's senior military commander, Mohammed Atef. Apparently Hamdi was familiar with Atef, since contained in the letter was a line referring to previous communication through "Mr. Tarik Hamdi in Washington."

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<sup>1</sup> *United States v. Usama Bin Laden et al.*, trial transcript, March 20, 2001.

<sup>2</sup> *United States v. Usama Bin Laden et al.*, trial transcript, February 20, 2001.

<sup>3</sup> A copy of this business card is included as Appendix "A".

<sup>4</sup> See Appendix "B" for documentation of this fact.

<sup>5</sup> *United States v. Usama Bin Laden et al.*, trial transcript, March 20, 2001.

<sup>6</sup> *United States v. Usama Bin Laden et al.*, trial transcript, March 27, 2001.

Later in the trial it was revealed that when Hamdi traveled to Afghanistan with the ABC News team, he sent a fax from Pakistan to a Bin Laden aide named Khalid al-Fawwaz. The fax read:

“Brother Khalid: Peace be upon you. We arrived safely and now we are in the Marriott Hotel.”<sup>7</sup> Soon after, Bin Laden received the battery pack that was so instrumental in Bin Laden’s communication with his worldwide network.

The use of individuals with American passports was a necessity for Bin Laden to achieve his goals. One of the privileges that an American passport brings is the ability to travel from place to place with little or no interference. This was obviously the case with Wadiah El Hage who, with his American passport, was able to pass in and out of the United States and into regions in Africa, the Middle East and Asia on instructions from Bin Laden himself. This trend should definitely raise a warning flag for future cooperation between international terrorists and sympathetic counterparts within the United States.

### **B. Ali Mohammed: Bin Laden’s Special Operations Man Within the United States**

Perhaps one of the most frightening examples of the infiltration of terrorists into the infrastructure of the United States is that of Ali Mohammed, one of the individuals indicted for his role in the conspiracy plot to bomb the United States embassies in Kenya and Tanzania. Mohammed was an officer within the United States Army’s Special Forces based out of Fort Bragg, North Carolina. At the same time, he was arranging for security for meetings between such individuals as Osama Bin Laden and Hizbollah military chief Imad Mughniyeh in Sudan and coordinating activities with other Bin Laden operatives within the United States.

On November 8, 1990, FBI agents raided the New Jersey home of El Sayyid Nosair, the Egyptian born Islamic militant, following his arrest in the shooting of Rabbi Meir Kahane in New York City. Among the many items found in Nosair’s possession were sensitive military documents from Fort Bragg, North Carolina. The documents, some of which were classified Secret, contained the locations of U.S. military Special Operations Forces exercises and units in the Middle East, military training schedules, U.S. intelligence estimates of Soviet forces in Afghanistan, a topographical map of Fort Bragg, U.S. Central Command data and intelligence estimates of Soviet force projection in Afghanistan. Appended throughout the documents were Arabic markings and notations believed to be that of Ali Mohammed. Some documents were marked "Top Secret for Training otherwise unclassified". Other documents were marked "sensitive."

The military documents had been given to Nosair by Ali Mohammed, an Egyptian born Islamic fundamentalist who had come to live in the United States in 1985. He had been in the United States earlier that decade, having graduated as a captain from a Special Forces Officers School at Fort Bragg in 1981 in a program for visiting military officials from foreign countries. He joined the U.S. military in 1986 and received a security clearance for level "secret." He was assigned as a sergeant with the U.S. Army Special Operations at Fort Bragg, North Carolina. He also served unofficially as an assistant instructor at the JFK Special Operations Warfare School

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<sup>7</sup> *United States v. Usama Bin Laden et al.*, trial transcript, May 1, 2001.

at Fort Bragg where he participated in teaching a class on the Middle East and Islamic fundamentalist perceptions of the United States.

Ali Mohammed became active in the war against the Soviets in Afghanistan and soon connected with Islamic militants in New Jersey who had been training and supporting the jihad. Mohammed was introduced to El Sayyid Nosair by Khalid Ibrahim, an Egyptian born Islamic fundamentalist in New Jersey. Ibrahim had become active in the Office of Services of the Mujihadeen, known Al Kifah, the group that recruited volunteers and funds for the jihad in Afghanistan. Al Kifah, headquartered in Peshawar, Pakistan, maintained scores of offices worldwide, including three dozen in the United States, with Al Kifah's primary American offices located in Brooklyn, Jersey City and Tucson, Arizona. According to the current indictment against Bin Laden and others for their role in the bombing of the United States embassies in Kenya and Tanzania in August 1998, the Office of Services was transformed into the terrorist organization of Osama Bin Laden, known as Al-Qaeda.

According to transcripts of the World Trade Center bombing trials, Ali Mohammed began giving training sessions in New Jersey in guerilla warfare in 1989 to Islamic militants that included, among others, El Sayyid Nosair, Mahmud Abuhajima (later convicted in the World Trade Center bombing conspiracy) and Khalid Ibrahim. Other training sessions took place in Connecticut where Islamic militants trained on weekends. A FBI report, based on Connecticut State Police intelligence, summarized the activities of the training sessions using semi-automatic weapons.<sup>8</sup>

According to military records, Ali Mohammed left the military in November 1989 and moved to Santa Clara, California. Law enforcement officials say he traveled to Afghanistan and Pakistan where he befriended Osama Bin Laden and other top militants in the Islamic fundamentalist movements who had sought sanctuary in Peshawar. From his base in Santa Clara, Mohammed soon emerged as a top aide to Osama Bin Laden. Federal officials say that Mohammed traveled regularly to and from Pakistan and Afghanistan, having helped oversee Bin Laden's terrorist bases in Khost and other terrorist camps in Afghanistan. In 1991, Mohammed was the person in charge of Bin Laden's move from Afghanistan to the Sudan. The move was considered perilous since Bin Laden had made so many enemies. Mohammed helped Bin Laden set up his new home and terrorist base in Khartoum, Sudan where 2000 "Arab Afghans"—the name given to the Arab veterans of the Afghanistan jihad—were headquartered in Bin Laden terrorist camps. Mohammed continued to travel between the terrorist camps in Afghanistan, Bin Laden's base in the Sudan and the United States. Mohammed continued to train new Islamic recruits in the expanded holy war, or jihad, against the United States, Israel, the Philippines, Bosnia, Egypt and Algeria.

Law enforcement records show that Mohammed's extended stays outside the United States would range from weeks to half a year. But he would always return to the United States, which provided him a safe base from which to travel around the world on behalf of Bin Laden. In California, Mohammed became involved in smuggling illegal aliens into the United States,

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<sup>8</sup> The FBI reports were collected in connection with the investigation of El Sayyid Nosair for the assassination of Rabbi Meir Kahane in New York City on November 5, 1990.



including suspected terrorists. Law enforcement sources say that a favorite route for Mohammed was to smuggle illegal aliens through Vancouver, Canada.

In a seemingly bizarre twist, while in California, Mohammed volunteered to provide information to the FBI on smuggling operations involving Mexicans and other aliens not connected to terrorist groups. Within time, officials say, the relationship allowed Mohammed to divert the FBI's attention away from looking at his real role in terrorism into examining the information he gave them about other smuggling. This gave Mohammed a de facto shield in effectively insulating himself from FBI scrutiny for his ties to Bin Laden. And the relationship helped protect Mohammed from being scrutinized by other federal agencies. Mohammed had succeeded in creating an ingenious scheme all the while he worked for Osama Bin Laden. Mohammed had also tried to cultivate a relationship with the CIA, which did not succeed, although he had far better success in playing off the FBI against the CIA in his dealings with both agencies. Like a John Le Carre thriller, Mohammed played the role of a triple agent and nearly got away with it.

In late 1994, Mohammed was called by the FBI who wanted to speak with him about the trial in the World Trade Center conspiracy case. As Mohammed stated in his plea of guilty before Judge Leonard B. Sand of the United States District Court for the Southern District of New York on October 20, 2000, "I flew back to the United States, spoke to the FBI, but didn't disclose everything I knew."<sup>9</sup> In other words, Mohammed was continuing to manipulate the American authorities even when he was called to testify regarding the acts of terrorists about whom he possessed information.

Federal law enforcement officials say that Mohammed's role and association with the Islamic militants surfaced in connection with the World Trade Center bombing trials in 1994 and 1995. He was named on a list of some 118 potential unindicted co-conspirators in the World Trade Center bombing conspiracy released by federal prosecutors. Even so, Mohammed's connections with Bin Laden were so solid that, when he obtained a copy of this list, he sent it to Wadih El Hage, Bin Laden's personal assistant, in Kenya "expecting that it would be forwarded to bin Laden [sic] in Khartoum."<sup>10</sup>

In 1996, according to intelligence reports, Mohammed helped move Bin Laden back from the Sudan, which wanted to maintain an official arm's length relationship (yet keeping its close connections secret), to Afghanistan. Mohammed continued working for Bin Laden in 1997 and 1998, maintaining his role as one of Bin Laden's top lieutenants.

On October 20, 2000, Mohammed rendered a guilty plea to all charges filed against him with regard to his role in the conspiracy to bomb the United States embassies in Kenya and Tanzania in 1998. In his admission, Mohammed admitted his involvement with both the Al-Qaeda organization and the Egyptian Islamic Jihad organization. He admitted that he had been involved in conducting military and explosives training for Al-Qaeda in Afghanistan; that he had conducted surveillance of various American, British, French and Israeli targets in Nairobi; that trained Bin Laden's personal bodyguards to prevent any assassination attempts; and that he

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<sup>9</sup> Excerpts of Mohammed's October 20, 2000 plea are attached as Appendix "C".

<sup>10</sup> See Appendix "C".

arranged security for a meeting between Bin Laden and Hizbollah military leader Imad Mughniyeh.<sup>11</sup> Ali Mohammed's role in terrorism and his ability to work within the United States outside the scope of investigation provides proof of the vulnerability of the United States to the work of terrorists within the United States.

**C. Establishment of "Human Rights" organizations within the United States: The Case of the Advice and Reformation Committee (ARC)**

One of the individuals who has been indicted by the United States in association with the bombing of the United State embassies in Kenya and Tanzania in 1998 is Khalid Al-Fawwaz. The United States is currently seeking Al-Fawwaz's extradition from the United Kingdom to the United States in order to stand trial. Resident in London, Al-Fawwaz was tasked directly by Bin Laden to create the Advice and Reformation Committee (ARC) in London to facilitate the propaganda efforts of Bin Laden against Saudi Arabia for its allowance of American troops on the soil of the country which is host to the two holiest sites in Islam, Mecca and Medina. Bin Laden himself is listed on the British article of incorporation for ARC.

When authorities investigating the Bin Laden organization searched the London apartment of ARC head Khalid Al-Fawwaz, two invoices were seized bearing P.O. Box addresses in Denver, Colorado and Kansas City, Missouri. The Denver P.O. Box is registered to Lujain N. Al-Iman. On December 2, 1998, U.S. prosecutors unsealed documents seeking the extradition of Khalid Al-Fawwaz from London on charges of conspiring to murder US nationals and soliciting, aiding and abetting attacks against US targets. Among the unsealed documents are two invoices seized from Fawwaz's apartment in London for telephone services billed to the Advice and Reformation Committee (ARC) bearing Post Office Box addresses in Denver, Colorado and Kansas City, Missouri. It is interesting to note that, despite having a United States address, the ARC was not incorporated in the United States. The presence, even of a post office address, of an organization so directly linked to Bin Laden is worrisome and, at the same time, indicative of the mode of operations of terrorist organizations which employ "front" organizations to confuse and deceive law-enforcement authorities who are attempting to track the activities of these terrorist organizations.

**D. Establishment of Corporations in the United States: InfoCom Corporation**

On September 5, 2001, agents from the Joint Terrorism Task Force operating out of Dallas, Texas, instituted a search warrant against InfoCom Corporation, an Internet service provider in Richardson, Texas, for its ties to the Hamas terrorist organization. Though the actual motives behind the search of InfoCom's offices are unclear, the Office of Foreign Assets Control (OFAC) notified InfoCom that two of its bank accounts, totaling \$70,000, had been frozen due to a lump-sum investment of \$250,000 provided to InfoCom in 1993 by Nadia Elashi Marzook, the wife of Hamas leader Mousa Abu Marzook who is named by OFAC as a specially-designated terrorist for his leadership role in the Hamas terrorist organization.<sup>12</sup> As a by-product of the search instituted against InfoCom, the Bureau of Export Administration had suspended

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<sup>11</sup> See Appendix "C" for further excerpts of Mohammed's plea.

<sup>12</sup> Steve McGonigle, "Local Firm's Accounts Frozen; Investment by wife of Hamas leader is behind decision, lawyer says," *Dallas Morning News*, September 26, 2001.

InfoCom's export privileges based on suspicions that InfoCom had violated U.S. export control laws by making shipments to Libya and Iran, two states listed as state sponsors of terrorism to which any export shipments are prohibited under U.S. law.<sup>13</sup> Furthermore, subpoenas were served on two of InfoCom's clients, the Islamic Association for Palestine and the Holy Land Foundation for Relief and Development. Each of these two organizations are suspected of serving as front organizations for the Hamas terrorist organization within the United States. Ghassan Dahduli, a former employee of InfoCom, was taken into custody by federal authorities on September 22, 2001, after refusing to answer questions posed to him by the authorities.<sup>14</sup> Dahduli has also been implicated as an associate of one of the individuals who was convicted for their role in the August 1998 dual attacks on the United States embassies in Kenya and Tanzania.

Each of the examples above indicate that the web of terrorism stretches through many facets of American society: from public universities to Internet service providers and even members of the United States Armed Forces. From these various means of maintaining a presence within the United States, there is little difficulty in finding means to facilitate fundraising, recruit personnel and to establish command and control centers here in the United States beyond the scope of law-enforcement capabilities.

#### **E. The Case of the University of South Florida**

On March 11, 1992, the University of South Florida (USF) and the World & Islam Studies Enterprise (WISE) entered into a formal agreement regarding cooperation between the two entities in the fields of research and graduate student enrichment.<sup>15</sup> WISE was a seemingly benign organization which was a self-described think-tank on Middle Eastern and Islamic issues. The individual who signed the agreement on behalf of WISE was Ramadan Abdullah Shallah. In October 1995, following the assassination of then-leader Fathi Shikaki, Shallah became the Secretary-General of the Palestinian Islamic Jihad (PIJ), an international terrorist organization based in Damascus, Syria, that was engaged in a *jihad* against the State of Israel through a campaign of suicide bombings and other deadly attacks carried out against Israeli civilians and soldiers alike.

The role of WISE in nurturing the future leadership of PIJ was that of providing a legitimate front for PIJ activities within the United States through agreements such as the one between WISE and USF which lent WISE the legitimacy necessary to overcome scrutiny for its activities. WISE, founded in 1990, was a PIJ brain-child from its formulation. The founders of WISE all emanated from the Middle East with a definite agenda dictated by PIJ. Dr. Sami Al-Arian, a professor of computer science and engineering at USF, was the organization's primary founder and served as the Chairman of WISE's Board of Directors. In August 2000, the Immigration and Naturalization Service (INS) issued a composite videotape during bond hearings for Al-Arian's brother-in-law, Dr. Mazen Al-Najjar, who has since been ordered deported from the United States for violations of his visa status. One of the video clips from this

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<sup>13</sup> Steve McGonigle, "Firm's export license lifted; Company investigated by terrorism task force predicts exoneration," *Dallas Morning News*, September 8, 2001.

<sup>14</sup> Steve McGonigle, "Terrorism task force detains Richardson man; 41-year-old with ties to bin Laden secretary considered a danger to U.S., official says," *Dallas Morning News*, September 23, 2001.

<sup>15</sup> A copy of the agreement is attached as Appendix "D".

composite videotape includes a fundraising session from April 7, 1991, in which Fawwaz Damra, the Imam of the Islamic Center of Cleveland (where the fundraising session was held), said, “Dr. Sami Al-Arian...is the president of the Islamic Committee for Palestine..., it is the active arm of the Islamic Jihad Movement in Palestine, and we like to call it the Islamic Committee for Palestine here for security reasons.” In another clip Damra states, “Donate to the Islamic Jihad. Nidal Zalloom from the Islamic Jihad held a dagger and stabbed four of the Jews in the courtyard of Al-Haram Al-Qudsi.... For the Intifadah, for the Islamic Jihad, I say it frankly for the Islamic Jihad, I say it frankly for the Islamic Jihad.... If you write a check, write it for the Islamic Committee for Palestine, I.C.P.”<sup>16</sup>

In another instance, Dr. Al-Arian, WISE’s Chairman of the Board, wrote a letter to a Kuwaiti citizen named Ismail Al-Shatti on February 1, 1995 soliciting funds on behalf of PIJ.<sup>17</sup> In the letter, Al-Arian writes about an “operation” that took place not long prior to his writing the letter as the type of operation that needed to be emulated by the movement. The “operation” to which he is referring is the dual suicide bombing by PIJ terrorists at the Beit Lid bus junction in Israel which resulted in the deaths of 19 Israelis. Furthermore, in this letter, Al-Arian describes the relations between PIJ and the terrorist organization Hamas as having improved. He stated, “The link with the brothers in Hamas is very good and making steady progress, and there are serious attempts at unification and permanent coordination.”<sup>18</sup> This letter, and the statement by Damra in Cleveland show the role of Al-Arian in PIJ during his involvement with WISE and USF. It is important to note that, although he is currently on paid leave, Al-Arian remains employed by USF in his capacity as a professor of computer science and engineering.

The other founders of WISE have similar ties to PIJ. The Director of Administration of WISE was Ramadan Abdullah Shallah. As mentioned earlier, Shallah currently serves as the Secretary-General of PIJ in Damascus, Syria. The Director of Research of WISE was Bashir Musa Nafi. Nafi was deported from the United States in 1996 based on visa violations. On his INS Order to Show Cause, which constitutes the INS equivalent to an indictment against an alien within the United States, a pseudonym is listed for Nafi of Ahmed Sadiq. This alias is important to his connections to terrorism. To those in the Palestinian Islamic Jihad, he was better known by this name. Under this pseudonym, Nafi wrote scores of articles in journals referred to by Palestinian Islamic Jihad head Fathi Shikaki as publications of the movement. Included among these are *Al-Mukhtar Al-Islami*, which is published in Cairo, and *Al-Taliah Al-Islamiah*, which was published in London (Nafi being on the Editorial Boards of both publications during the time that he wrote for them).

A master’s thesis presented by Abdul Aziz Zamel *at USF* on April 17, 1991 referred to Nafi as an ideological head of the Palestinian Islamic Jihad along with Fathi Shikaki. Based on interviews with an anonymous individual identified by Zamel as a “founder” of the Palestinian Islamic Jihad, Zamel wrote, on page 192 of his thesis, that Nafi had actually “published and

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<sup>16</sup> This translation from the Arabic was provided by the INS to supplement the videotape that was presented in open court during the bond proceedings.

<sup>17</sup> The letter was seized by government authorities in raids instituted in November 1995 against the home of Sami Al-Arian and the offices of WISE. The letter was subsequently released in August 2000 as an exhibit in the immigration bond determination hearings of Al-Arian’s brother-in-law, Dr. Mazen Al-Najjar.

<sup>18</sup> This translation was provided by the INS as a supplement to the letter that was originally written in Arabic.

edited a journal, al-Taliah al-Islamiah (The Islamic Vanguard) [sic] specifically for the [Palestinian Islamic Jihad], which was sent to the occupied territories for reproduction, in the same shape and form, and distribution.” Thomas Mayer, a researcher who wrote an article in Emmanuel Sivan and Menachem Friedman’s 1990 book entitled *Religious Radicalism and Politics in the Middle East*, stated that Fathi Shikaki regarded Bashir Nafi as “an ideological friend.” Mayer also discussed the cooperation between Nafi and Fathi Shikaki in distributing *Al-Taliah Al-Islamiah* throughout the West Bank and Gaza Strip.<sup>19</sup> These references suggest that Nafi was not merely a member of the movement, but a spokesperson with close ties to Shikaki.

Another of the founding members of WISE was Khalil Shikaki, the brother of then-Secretary-General of PIJ, Fathi Shikaki. Documents seized by federal agents pursuant to a search warrant at the WISE office in November 1995 show that Shikaki, after his departure from WISE in 1992, contacted his brother by means of Ramadan Shallah who was working at WISE and teaching at USF at the time. Evidence released in the federal investigation against WISE and ICP included a letter and a fax between Abdullah and Khalil Shikaki showing that Abdullah served as a go-between for the brothers.<sup>20</sup>

By utilizing the agreement between WISE and USF<sup>21</sup> as a means of facilitating legitimacy for their activities, the individuals associated with WISE were able to coordinate PIJ activities within the United States free from government scrutiny. The government became actively involved only after one member of the inner circle of this organization, Ramadan Shallah, emerged as the Secretary-General of PIJ in Damascus, Syria.<sup>22</sup>

## **II. Methods of fundraising, recruitment of personnel and the establishment of a base of operations within the United States for foreign terrorist organizations**

Through the past decade and beyond, the United States has served as a fertile recruiting ground for terrorist organizations. With the protections of freedom of speech and association afforded to individuals within the United States, many terrorist organizations view the United States as a haven in which to speak freely and to engage in propaganda on behalf of their many causes. As was seen earlier, the Palestinian Islamic Jihad managed to operate a headquarters-type operation in Tampa, Florida free from government interference. The same was true with the followers of Sheikh Omar Abdul Rahman who managed to coordinate and plan to the extent that they were able to carry out the 1993 World Trade Center bombing and were on the verge of instituting another wave of terrorist attacks against landmarks, bridges and tunnels in the New

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<sup>19</sup> Emmanuel Sivan and Menachem Friedman, *Religious Radicalism and Politics in the Middle East*, SUNY Press, 1990.

<sup>20</sup> This evidence was released subsequent to the first immigration bond determination hearings for Mazen Al-Najjar in Orlando, Florida in 1996 and 1997.

<sup>21</sup> See Appendix “D”.

<sup>22</sup> Additional information on the Palestinian Islamic Jihad network in the United States is attached as Appendix “E”.

York metropolitan area. The manner in which these organizations have succeeded in using the United States to fundraise, recruit and establish a base of operations within the United States have varied; however, they are typically constrained to the following type activities: national conferences featuring global speakers encouraging participants to engage in military *jihad* activities; charitable organizations operating under the veneer of humanitarian causes while contributing funds to the various terrorist organizations abroad often without the knowledge of the individuals who have provided the funds to the charitable organization, non-governmental organizations which transcend national boundaries, and the use of United States government funding and institutions. The following are examples of each of these points.

#### **A. Conferences calling for *Jihad***

Consider the following statement:

*Qital* [killing] is an essential element of Islam. And sometimes you don't like it. *Qital* is ordained upon you, though it is hateful to you, but it may happen that you hate a thing which is good for you, and it may happen that you love a thing which is bad for you.... And one example is, now we have 60 or so Muslim countries, and not a single one of them wants to go for *Qital* and *Jihad* for Bosnia. *Qital* is ordained upon you though it is hateful to you.<sup>23</sup>

In the United States, we treasure our freedoms that are inherent in the Bill of Rights. The freedom of speech is perhaps valued above all. Even so, the above statements were made at the annual conference of the Islamic Society of North America (ISNA) in Columbus, Ohio in 1995. The speaker was the then-President of an organization called the Islamic Circle of North America (ICNA), Abdul Malik Mujahid. At the annual conference of this second organization, ICNA, held in Baltimore, Maryland in June and July, 2000, Tayyab Yunus, son of then-ICNA President Mohammad Yunus, made the following statements in an attempt to encourage participation in ICNA's summer youth training camps:

The youth is [sic] very important.... We all want to see our youth to succeed to become doctors, to become engineers; but how many of you can actually say that you want to send your sons to *jihad*, to Chechnya? ... How many of you can actually say that you want to send your youth to fight in *jihad* or to send them to ... these Islamic institutions to become educated?<sup>24</sup>

The clear implication from Yunus' statements is that the desire to send children to fight the *jihad* in Chechnya should be a goal of each parent for their children, and to send their children to ICNA's camp would be a way to instill these values in their children.

At another conference held in Chicago, Illinois over Thanksgiving weekend of 2000, the Islamic Association for Palestine (IAP) hosted Imam Jamal Said who stated the following:

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<sup>23</sup> Conference of the Islamic Society of North America, speech by Abdul Malik Mujahid, Columbus, Ohio, September 1995.

<sup>24</sup> Conference of the Islamic Circle of North America, speech by Tayyab Yunus, Baltimore, Maryland, July 2, 2000.

...I appeal to you, in this night that is ushering in the holy month of Ramadan, to be generous and give plenty, to keep the light in the houses of our martyrs burning. We have boxes here that say “Help us, help the Aqsa cause, Islamic Association for Palestine!” We want you to fill those boxes. There is no better charity than to pay for the family of a martyr.<sup>25</sup>

At the same conference, the renowned Kuwaiti sheikh, Tariq Suweidan, made the following incendiary comments to a rapt audience: “Palestine will not be liberated but through *Jihad*. Nothing can be achieved without sacrificing blood. The Jews will meet their end at our hands.”<sup>26</sup>

Finally, at this same conference in Chicago, Illinois, a fundraising session was held in order to raise \$200,000 for the Islamic Association for Palestine. As an impetus for giving to the organization, the fundraiser read aloud the Arabic will of “martyr” Hamdi Yasin who was killed when he drove his car into a military checkpoint killing one Israeli officer. The will, which was intended to evoke empathetic feelings, stated the following:

I say, it is not correct when some people say that we commit suicide because we do not value life. We love life, but life in dignity.... I cannot allow God’s houses to be violated without defending them.... At the Law Faculty of Al-Azhar University I was about to receive a certificate in law, but in this phase I prefer another kind of certificate, the other life, martyrdom in the path of God, the other certificate is martyrdom in the path of God. There is a big difference between the two certificates.... ***Finally I pray to Almighty God that my action may result in the death of the greatest number of God’s enemies possible.*** Let them know that our hallowed places, and our brains, and our blood are not cheap. I profess that there is no god but the One God, and that Muhammad is the messenger of God.[emphasis added]<sup>27</sup>

The message of this statement is self-explanatory. The Islamic Association for Palestine was encouraging donations in this fundraising session to extol an individual who had set forth his purpose of causing “*the death of the greatest number of God’s enemies possible.*” It is within this framework that international terrorists utilize conferences, and the inherent freedom of speech in the United States, to their advantage.

## **B. Charitable organizations and localized fundraisers**

As exemplified by the statements of President George W. Bush, the United States must understand that cutting off the fundraising capabilities will serve to choke these terrorist organizations. Despite this acknowledgement, the use of charitable organizations and institutions within the United States has served as the greatest means of filtering money to the terrorist organizations so that they can further their terrorist objectives. A significant example of this phenomenon exists with regard to the Holy Land Foundation for Relief and Development (HLF), an organization based in Richardson, Texas, that is actively engaged in fundraising on behalf of orphans and widows in the Palestinian Occupied Territories of the West Bank and Gaza

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<sup>25</sup> Conference of the Islamic Association for Palestine, speech by Imam Jamal Said, Chicago, Illinois, November 24, 2000.

<sup>26</sup> Conference of the Islamic Association for Palestine, speech Tariq Suweidan, Chicago, Illinois, November 24, 2000.

<sup>27</sup> Conference of the Islamic Association for Palestine, speech by unknown speaker, November 24, 2000.

Strip; however, these monies are subsequently distributed as annuities to the families of suicide bombers and to support the aims and goals of the terrorist Hamas organization.

Although the Holy Land Foundation claims merely to be concerned with various global crises affecting Muslims and with the Palestinian cause, it is an active Hamas supporter and acts as a financial conduit for Hamas. In addition, the Holy Land Foundation strives to legitimate Hamas' activities by putting a humanitarian veneer on supporting terrorist activity in the Middle East.

Ronni Shaked, a former official in the Israeli General Security Service, commented on Hamas fundraising in a book he wrote (that was published in 1994 in Hebrew) based on his interviews with operatives while they were imprisoned:

The major channel for fund-raising for the Hamas organization in the United States is the Occupied Land Fund that was established in Los Angeles, California. In 1992, the organization changed its name to the Holy Land Foundation and moved to Richardson, Texas.

Evidence strongly suggests that the Holy Land Foundation provides a crucial financial service for Hamas family annuities to suicide bombers. These annuities assure a constant flow of suicide volunteers and buttress a terrorist infrastructure heavily reliant on moral support of the Palestinian populace. In the words of its literature, Holy Land Foundation supports "families of detainees, deportees and martyrs." The offices of the HLF in Israel were closed by the Israeli authorities in May 1997 and again in December 1997, based on the connection between HLF fundraising and support for the Hamas terrorist apparatus. When the office in Jerusalem was closed, an orphan support form was found for a child named Bar'a Ayyash. This child's father, Yahya Ayyash, was best known for his exploits on behalf of the Hamas movement as its primary bombmaker and strategist. Nicknamed "the Engineer," Ayyash was killed in early 1996. His funeral was attended by thousands, and the support provided by HLF to Ayyash's family is indicative of the type of support that HLF provides to Hamas. By giving money to the family after the Hamas terrorists' demise, HLF encouraged others to engage in similar terrorist conduct by ensuring that the terrorists need not fear for the well-being of their families after they have died for their cause.

HLF's Jerusalem office chairman, Muhammad Anati, was arrested and indicted on charges of aiding and abetting a terrorist organization. Exactly whom the HLF was supporting was addressed in statements made to Israeli authorities by HLF Jerusalem chairman Muhammad Anati. Anati stated the following about the organization:

I remember I used to send to the United States - pictures of orphans, photos of projects that we did, photos of refugee camps and also videos that used to arrive to videotape projects, refugee camps, and photos of historical places, such as the Machpelah Caves in Hebron, Jerusalem, etc.... They used to present the movies and the photos in front of the people in the United States - invited them to conferences to show these movies. During these conferences, they used to describe the organization - The Holy Land Foundation, about the charity, they used to describe it as an Islamic organization which helps people. **They did not say directly that the organization supported Hamas**, they told the people that the institute - The Holy Land Foundation - is an Islamic institute, which was



connected and was supporting Hamas. During these gatherings about which I spoke, in which also the adopters who support the organization and transfer money and also newcomers would come to these conferences. **During these conferences, they [the attendees] would get the idea - that this is an organization that supports Hamas....**

Regarding your question, how do I know that the Holy Land Foundation institute in America supports Hamas and talks in the conferences about its support for Hamas and that in these conferences they sing songs for Hamas, my answer is that these people used to arrive in Israel and I had a chance to talk with them - people who participated in these conferences told me all about it.<sup>28</sup>

These charitable organizations serve as the primary conduit for their respective terrorist organizations overseas. A vast majority of donors to these organizations see only the humanitarian causes that the organizations proffer rather than delving beyond the organizations' literature to determine who actually receives the money. In many instances, the donors to these organizations would likely think twice before providing funds if they knew exactly where their money was going and that it was going to support terrorist causes.

### **C. The Use of Non-Governmental Organizations (NGO's)**

Another manner in which terrorists attempt to raise funds and recruit new members is through the use of non-governmental organizations (NGO's) that stretch across international boundaries and provide legitimacy to their members when traveling from one country to another. These credentials have been used by terrorist organizations to infiltrate other countries through the use of terrorism. One prime example is the use of one of the largest international NGO's in existence, the Muslim World League.

The Muslim World League (MWL) is a multi-million dollar organization based in Mecca, Saudi Arabia funded by both the government and private individuals. MWL serves as a conduit for the exportation of fundamentalist Islam throughout the world with offices in the Middle East, Africa, Asia, Western Europe, and the United States. The MWL functions on the operational level principally through several daughter organizations (which also have many offices throughout the world) including the International Islamic Relief Organization (IIRO) and the World Assembly of Muslim Youth (WAMY).

Following the August 7, 1998 dual US Embassy bombings in East Africa, six Muslim NGO's operating in Kenya including Al-Haramain, the IIRO, and Rabitat Al-Aalam Al-Islami [MWL] were banned for "endangering the lives of Kenyans" and "working against the interests of Kenyans in terms of security," according to John Etmesi, Chairman of the Nongovernmental Coordinating Board in Kenya.<sup>29</sup> The MWL was not registered and was operating illegally.<sup>30</sup> On or about December 16 or 17, 1998, Kenya's high court lifted the ban against three of the five deregistered NGO's including the IIRO.<sup>31</sup>

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<sup>28</sup> Statement by Muhammad Anati to the Israeli authorities, December 17, 1997.

<sup>29</sup> *Daily Nation*, September 9, 1998.

<sup>30</sup> *Daily Nation*, September 9, 1998.

<sup>31</sup> *Agence France Presse*, December 17, 1998.

The MWL was founded in 1962 and is based in Mecca, Saudi Arabia. According to the organization's website, the main objectives are, "to disseminate Islamic Dawah and expound the teachings of Islam. To defend Islamic causes in a manner that safeguards the interests and aspirations of Muslims, solves their problems, refutes false allegations against Islam, and repels inimical trends and dogma which the enemies of Islam seek to exploit in order to destroy the unity of Muslims and to sow seeds of doubt in our Muslim brethren." The MWL's operational arm is the IIRO. According to Dr. Ahmed Mohammed Ali, Secretary General of the MWL, the organization provides "humanitarian assistance" through the IIRO.<sup>32</sup> The IIRO (which also has many branches the world over) was established in 1978 and is headquartered in Jeddah, Saudi Arabia.<sup>33</sup>

On January 7, 1999, according to Karnal Singh, deputy commissioner of police, the US consulates in Madras and Calcutta were targeted by a Bangladeshi national, Sayed Abu Nasir, on orders from among others, Sheikh Al Gamdin, President of the IIRO, Asia.<sup>34</sup> The following details the account Nasir provided Indian police:

After graduating from college in Dhaka, Bangladesh, Nasir was employed by the IIRO, a charitable organization that led him into terrorism. After working in Thailand for several years, Nasir was transferred to Lahore, Pakistan in 1994. At this time he was informed that forty to fifty percent of the organizations funds were diverted to terrorist training camps in Afghanistan and Pakistan-occupied regions of Kashmir. Nasir's job was to visit the camps, assess how much funding was needed, and report back to headquarters. Some time later, Gamdin asked Nasir to undergo training at one of the camps. While at this camp, Nasir met Osama Bin Ladin [sic]. In 1998, Nasir attended the meeting with Gamdin and others where he was directed to cross the Bangladeshi-Indian border in West Bengal on a mission to blow up the American consulates in Calcutta and Madras.<sup>35</sup>

The IIRO was implicated on several other occasions for involvement in terrorist activity. In the Philippines, the IIRO office in Zamboanga City is the coordinating center for secessionist Islamic militants in the southern region of the country where Muslims are the majority.<sup>36</sup> IIRO's Zamboanga City office, which was established some time in the early 90's, was under the direct control of Mohammad Jamal Khalifa, the 37-year-old brother-in-law of Osama Bin Laden.<sup>37</sup> Through Khalifa and the IIRO, Bin Laden ensured as instrumental a role as possible in the secessionist's militant movement.<sup>38</sup>

On December 16, 1994, Khalifa was arrested<sup>39</sup> in Morgan Hill, California,<sup>40</sup> and he was subsequently extradited to Jordan to stand trial for various terrorist attacks in Amman. Although convicted in absentia and later acquitted, ten of his co-conspirators were sentenced to death.

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<sup>32</sup> *Moneyclips*, May 6, 1995.

<sup>33</sup> <http://www.arab.net/iiro>

<sup>34</sup> *International Herald Tribune*, January 21, 1999.

<sup>35</sup> *International Herald Tribune*, January 21, 1999.

<sup>36</sup> *Philippine Daily Inquirer*, August 17, 1994.

<sup>37</sup> *Jane's Intelligence Review*, December 1, 1998.

<sup>38</sup> *Jane's Intelligence Review*, December 1, 1998.

<sup>39</sup> *In the Matter of: Mohammad Jamal A. Khalifah*, Prehearing Brief on Scope of Section 241(a) (4) (c) Determination.

<sup>40</sup> *The San Francisco Examiner*, April 18, 1995.

Then United States Coordinator for Counterterrorism, Philip C. Wilcox Jr. stated in a December 20, 1994 letter to the Immigration Judge (prior to and in support of the extradition), "...Khalifa has provided support to terrorist groups in the Philippines... has extensive ties to the HAMAS organization...[and] also has links to the Gama't Islamiyya...if freed from U.S. custody, he would continue to engage in terrorist actions and present a threat to U.S. national security interests."

Talaat Fuad Qasim, a/k/a Abu Talal al-Qasimi, a/k/a Ibrahim Izzet Yaakub was the Denmark based spokesman of Gamma Islamiya.<sup>41</sup> According to an U.S. intelligence source, he was extradited from Croatia to Egypt in September 1995.<sup>42</sup> In 1992, Egyptian authorities issued a death sentence against Qasim in absentia for his role in an assassination attempt on President Hosni Mubarak. He was also suspected of being involved in the assassination of Anwar Sadat, after which he fled from Egypt to Pakistan and became the director of the IIRO office in Peshawar until the end of the 80's.

Western intelligence sources believe the IIRO funnels \$20 million a year to Islamic extremists in Gaza and the West Bank.<sup>43</sup> Hamas officials in the West Bank and Gaza were instructed to thank executives of the IIRO and WAMY for "charity of this year [1996]."<sup>44</sup> Western Intelligence has traced IIRO money transfers to bank accounts in London, England and Amman, Jordan; which is then channeled through front groups to Hamas backed organizations in Gaza and the West Bank.<sup>45</sup>

#### **D. The Use of U.S. Government Sources and Funding**

The Islamic African Relief Agency (IARA) is a Sudanese based Islamic charity group, headquartered in Khartoum.<sup>46</sup> IARA was established by the Sudanese Islamic Da'wa (Call) Organization, a group formed in the early 1980s with the goal of spreading Islam across Africa. By founding IARA, al-Da'wa sought to impede the religious missionary efforts of Christian humanitarian groups by providing an Islamic alternative.<sup>47</sup> In 1995, Hassan al-Turabi, the de facto ruler of the Sudan, was referred to as the Secretary-General of the al-Da'wa movement.<sup>48</sup> IARA, itself, has deep connections with the Sudanese government.

IARA has been frequently accused of promoting Islamic fundamentalism in Africa and the Middle East. IARA relief workers in war-torn southern areas of Sudan "actively propagate the Islamic religion" by demanding conversion to Islam in exchange for food and medicine.<sup>49</sup> In Somalia, IARA and Al-Dawa were accused by local officials of "steering aid to people who

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<sup>41</sup> *Compass Newswire*, October 25, 1995.

<sup>42</sup> *Compass Newswire*, November 9, 1995.

<sup>43</sup> *U.S. News & World Report*, July 8, 1996.

<sup>44</sup> *U.S. News & World Report*, July 8, 1996.

<sup>45</sup> *Daily News*, July 31, 1996.

<sup>46</sup> Islamic African Relief Agency, IRS 1023 Form.

<sup>47</sup> Dr. Abdelwahab El-Affendi, "'Discovering the South': Sudanese Dilemmas for Islam in Africa," <http://msanews.mynet.net/Scholars/Affendi/south.html>.

<sup>48</sup> Abd-al-Latif Al-Manawi, "Former President Numayri Criticizes Regime," *Al Majalla*, March 19, 1995.

<sup>49</sup> Bona Malwal, "OLS Food Helps NIF Regime To Convert The Population To Islam," *Sudan Democratic Gazette*, October 15, 1998.

share their religious views" by providing employment and financial support to radical Somali fundamentalists.<sup>50</sup> In November 1994, the IARA representative in Senegal, Ashim Adam Hammad, was expelled during a government crackdown on militant Islamic fundamentalism.<sup>51</sup>

Not surprisingly, IARA and its sister organization, the Islamic Relief Agency (ISRA), have offices in 25 countries, including the United States.<sup>52</sup> IARA-USA, the U.S. affiliate of the Islamic African Relief Agency, is headquartered in Columbia, Missouri and was founded on February 25, 1985 by Sudanese nationals attending the University of Missouri.<sup>53</sup> In addition to its main office in Columbia, IARA-USA has established eight regional offices in Baltimore, Maryland; Detroit, Michigan; Houston, Texas; Los Angeles, California; Gainesville, Florida; Brooklyn, New York; Orlando, Florida; and Norman, Oklahoma.<sup>54</sup>

Perhaps the most striking piece of information is the following: in 1998 alone, IARA-USA received two grants worth a total of \$4.2 million for work in Mali from the U.S. Agency for International Development (USAID). An organization with strong ties to a country that the United States Department of State considers a state-sponsor of terrorism receiving grant money from that same government drips with irony. The grants were cut off in December 1999 on grounds that the donations were determined to be not in America's "national security interests."<sup>55</sup> Even so, the fact that at least \$4.2 million in federal grants were awarded to IARA should cause some in the government to take notice.

Another organization that has come under fire in the past year and a half for its placement on the list of private voluntary organizations with USAID is the Holy Land Foundation for Relief and Development (HLF) which was mentioned earlier. In summary, HLF is based in Richardson, Texas and provides funds to Hamas-related charities and causes within the West Bank and the Gaza Strip. In an August 30, 2000 letter from former Undersecretary of State for Political Affairs Thomas R. Pickering to USAID's J. Brady Anderson, Pickering states the following with regard to HLF:

I believe you are aware that the Department of State has had some concerns about this organization. *The Department has now determined that continuation of this relationship is contrary to the national defense and foreign policy interests of the United States.* Accordingly, I request that USAID take all necessary steps to terminate this relationship immediately. In addition, please be advised that *any financial relationship between USAID and the Holy Land Foundation for Relief and Development would likewise be contrary to the national defense and foreign policy interests of the United States.*[emphasis added]

It is important to note that USAID terminated this relationship in a September 14, 2000 letter from USAID's Lenora Watlington to HLF President Shukri Abu Baker. In this instance, a

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<sup>50</sup> James McKinley, Jr., "Islamic Movement's Niche: Bringing Order to Somalia's Clans," *The New York Times*, August 23, 1996.

<sup>51</sup> Bernard Degioanni, "Fundamentalist Moslems active despite ban," *Agence France Presse*, December 6, 1994.

<sup>52</sup> "IARA-USA Partner Offices," <http://www.iara-baltimore.org/partners.html>

<sup>53</sup> Islamic African Relief Agency, IRS 1023 Form, Part III, Question 3.

<sup>54</sup> "IARA-USA Partner Offices," <http://www.iara-baltimore.org/partners.html>

<sup>55</sup> Judith Miller, "Some Charities Suspected of Terrorist Role," *The New York Times*, February 19, 2000.

lack of cooperation and coordination between the two government agencies resulted in a situation that, as Pickering describes, would have been “contrary to the national defense and foreign policy interests of the United States.”

### **E. Use of Money Laundering: The “Charlotte Hizbollah Cell”**

On July 21, 2000, agents from the Federal Bureau of Investigation (FBI) in Charlotte, North Carolina, arrested eleven individuals on charges of smuggling contraband cigarettes to Michigan from North Carolina and money-laundering. In a superseding indictment filed in the United States District Court for the Eastern District of North Carolina on March 28, 2001, four individuals were charged with providing material support or resources to the Hizbollah terrorist organization. The individuals were charged with providing “currency, financial services, training, false documentation and identification, communications equipment, explosives, and other physical assets to Hizbollah, in order to facilitate its violent attacks.”<sup>56</sup>

Another similar case was filed in Michigan against Fawzi Mustapha Assi on August 4, 1998. The charges against Assi, stated in both the Indictment and the Criminal Complaint, included allegations that he did “(k)nowingly provide and attempt to provide material support or resources, to wit, night vision goggles, global positioning satellite modules and a thermal imaging camera to a designated foreign terrorist organization.” The foreign terrorist organization to whom Assi was charged with providing these materials was the Hizbollah terrorist organization. Unfortunately, prior to the filing of the indictment, Assi disappeared,<sup>57</sup> and allegedly reappeared in Lebanon.<sup>58</sup>

These two examples show how foreign terrorist organizations may develop relationships with individuals who are already resident within the United States in order to provide them support. In these cases, however, the support was not merely financial but also tactical. Both in Charlotte and in Detroit, the items involved were highly sophisticated items to be used directly in terrorist operations.

In each of the above examples, different approaches by the United States government and its many agencies would have served the purpose of shutting down the potential for providing funds, recruitment or a base of operations for terrorists on American soil.

### **Conclusion:**

On September 11, Osama Bin Laden proved that terrorists were able to hide under our radar screen for years without being detected by the relevant agencies or even by what is known as the fourth branch of government, the media. The horror of September 11 was achieved through a variety of means, not all tethered to the specific operational details of the actual plot.

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<sup>56</sup> *United States v. Mohamad Youssef Hammoud et al.*, No. 00 CR 147 (W.D. N.C. filed July 20, 2000, amended March 28, 2001) Superseding Bill of Indictment, ¶ 3.

<sup>57</sup> Kay M. Siblani, “Man charged with exporting weapons to Hizbollah disappears,” *Arab American News*, August 7, 1998; David Josar, “Suspect in Hezbollah case skips hearing,” *Detroit News*, July 29, 1998.

<sup>58</sup> Kevin Lynch, “Ford engineer seen in Lebanon: Newsletter publisher says people have seen man suspected of supporting terrorists,” *Detroit News*, September 4, 1998.

Our nation's defenses and our awareness of the threats surrounding us were numbed through false conduits, fake companies, religious charities, exploitation of our free speech and religious freedoms and abetted by problems in the visa system and loopholes in the terrorist watch list.

The bottom line is that if this is not to be repeated, we need to institute new safeguards, methods of detecting false cover companies, academic institutes, and religious charities, monitor those who are here illegally and who are connected to known terrorist groups and demand that our government do a much better of job of scrutinizing those who violate American law by exploiting the very freedoms that make our country great.