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Treasury Freezes Assets of Organization Tied to Hamas

The U.S. Department of the Treasury today blocked pending investigation accounts of KindHearts, an NGO operating out of Toledo, Ohio, to ensure the preservation of its assets pending further investigation.

"KindHearts is the progeny of Holy Land Foundation and Global Relief Foundation, which attempted to mask their support for terrorism behind the façade of charitable giving," said Stuart Levey, Treasury Under Secretary for Terrorism and Financial Intelligence. "By utilizing this specialized designation tool, we're able to prevent asset flight in support of terrorist activities while we further investigate the activities of KindHearts."

This action was taken pursuant to E.O. 13224, which is aimed at denying financial and material support to terrorists and their facilitators.

Following the December 2001 asset freeze and law enforcement actions against the Hamas-affiliated Holy Land Foundation for Relief and Development (HLF) and the al Qaida-affiliated Global Relief Foundation (GRF), former GRF official Khaled Smaili established KindHearts from his residence in January 2002. Smaili founded KindHearts with the intent to succeed fundraising efforts of both HLF and GRF, aiming for the new NGO to fill a void caused by the closures. KindHearts leaders and fundraisers once held leadership or other positions with HLF and GRF.

Support to Hamas in Lebanon

KindHearts officials and fundraisers have coordinated with Hamas leaders and made contributions to Hamas-affiliated organizations. Specially Designated Global Terrorist (SDGT) Usama Hamdan, a leader of Hamas in Lebanon, reportedly phoned a top fundraiser for KindHearts during a September 2003 KindHearts fundraiser. During the call, Hamas leader Hamdan reportedly communicated to the fundraiser his gratitude for KindHearts' support. The KindHearts fundraiser reportedly also provided advice to Hamdan, telling him not to trust the United Nations Relief and Works Agency.

Information developed from abroad corroborates connections between KindHearts and Hamas in Lebanon. As of late December 2003, KindHearts was supporting Hamas and other Salafi groups in the Palestinian refugee camps in Lebanon.

Haytham Fawri was identified as a KindHearts official who reportedly collected funds and sent them to Hamas and other Salafi groups. Haytham Fawri is believed to be a reference to Haytham Maghawri, who has served as KindHearts' manager in Lebanon, and is one of a number of HLF officials indicted by a federal grand jury in Dallas, Texas on charges of providing material support to Hamas. From 1998 - 2000, during his tenure as Social Services Director for the HLF, Maghawri approved fifty wire transfers by the HLF in the amount of \$407,512 USD, to nine zakat committees identified as being owned, controlled, or directed by Hamas.

According to the information source from abroad, KindHearts began working secretly and independently in the camps in Lebanon after the closure of the offices of the Sanabil Association for Relief and Development (Sanabil), a Hamas-affiliated entity in Lebanon that was named an SDGT in August 2003. KindHearts reportedly attempted to maintain a distance from Hamas to avoid drawing attention to its support for the terrorist organization. In early 2003, KindHearts president Smaili complained that scrutiny by U.S. law enforcement and intelligence officials was making it almost impossible for KindHearts to assist Hamas.

Between July and December 2002, KindHearts sent more than \$100,000 USD to the Lebanon-based SDGT Sanabil, according to information available to the U.S. Financial investigation revealed that between February 2003 and July 2003, KindHearts transferred over \$150,000 USD to Sanabil. KindHearts deposited the funds into the same account used by HLF when it was providing funds to the Hamas-affiliated Sanabil, according to FBI analysis.

Support to Hamas in the West Bank

In addition to providing support to Hamas in Lebanon, KindHearts reportedly provides support to Hamas in the West Bank. An individual identified as integral to assisting KindHearts deliver aid to Palestinians in the West Bank, also reportedly was responsible for dividing money raised by KindHearts in the U.S to ensure that some funds went to Hamas. KindHearts founder and president Smaili told a Texas-based associate that his organization was raising funds to support the Palestinian *Intifada*.

Cooperation with U.S.-Based Hamas Leader

Mohammed El-Mezain, who coordinated KindHearts' fundraising, is a former HLF official indicted by a federal grand jury in Dallas, Texas on charges of providing material support to Hamas. Information indicates that SDGT Khalid Mishaal, Hamas' Secretary General based in Damascus, Syria, identified El-Mezain as the Hamas leader for the U.S. At the time, Mishaal advised that all financial contributions to Hamas from individuals in the U.S. should be channeled through El-Mezain.

Following the closure of HLF, U.S.-based Hamas leader El-Mezain transferred his fundraising skills to Kindhearts. El-Mezain assisted other KindHearts senior leaders in directing the coordination of KindHearts' fundraising strategy. During a 2003

Islamic conference, KindHearts leaders, including Smaili, met with El-Mezain to discuss KindHearts fundraisers. The leaders concluded that there would be only two fundraising dinners for KindHearts in September 2003 and thereafter, all fundraising efforts would target Friday prayers at mosques and Islamic centers throughout the U.S.

At a September 2003 KindHearts fundraising event, a KindHearts fundraiser spoke and encouraged the crowd to appreciate the efforts of the terrorist group Hizballah in supporting Hamas. The fundraiser then encouraged the crowd to give money and manpower as support against Israel. El-Mezain also spoke at this KindHearts fundraiser, encouraging people to donate to KindHearts.

In October 2003, El-Mezain spoke at an event held in Baton Rouge Louisiana where \$500,000 was pledged. Though El-Mezain's speech reportedly focused almost entirely on raising funds for a new mosque in Baton Rouge, only a small amount was to be retained locally and the vast majority was to be sent to Hamas overseas.

Today's action freezes any assets KindHearts may have under U.S. jurisdiction and prohibits U.S. persons from engaging in transactions with the NGO.