

PATRICK J. LEAHY, VERMONT, CHAIRMAN

HERB KOHL, WISCONSIN
DIANNE FEINSTEIN, CALIFORNIA
CHARLES E. SCHUMER, NEW YORK
RICHARD J. DURBIN, ILLINOIS
SHELDON WHITEHOUSE, RHODE ISLAND
AMY KLOBUCHAR, MINNESOTA
AL FRANKEN, MINNESOTA
CHRISTOPHER A. COONS, DELAWARE
RICHARD BLUMENTHAL, CONNECTICUT

CHARLES E. GRASSLEY, IOWA
ORRIN G. HATCH, UTAH
JON KYL, ARIZONA
JEFF SESSIONS, ALABAMA
LINDSEY O. GRAHAM, SOUTH CAROLINA
JOHN CORNYN, TEXAS
MICHAEL S. LEE, UTAH
TOM COBURN, OKLAHOMA

United States Senate

COMMITTEE ON THE JUDICIARY

September 7, 2011 WASHINGTON, DC 20510-6275

BRUCE A. COHEN, *Chief Counsel and Staff Director*
KOLAN L. DAVIS, *Republican Chief Counsel and Staff Director*

The Honorable Eric Holder
Attorney General
Department of Justice
950 Pennsylvania Avenue, N.W.
Washington, D.C. 20530-0001

Dear Attorney General Holder:

On January 31, 2007, *The Wall Street Journal (WSJ)* reported that a federal grand jury in Boston was “examining suspected tax evasion related to complex investment structures” connected to the Overland Capital Group, Inc. (Overland). Yet, the Department of Justice’s (Department) lead prosecutor was reportedly from the Criminal Division’s Terrorism Financing Unit, not the Tax Division.

The *WSJ* article goes on to state that Overland is controlled by the Dar Al-Maal Al-Islami Trust (DMI), which is reported to be “founded by a senior member of the royal family of Saudi Arabia”. Further, Overland apparently borrowed funds from DMI’s Bahamas-registered Islamic Investment of the Gulf Ltd. (Islamic Investment). While the 2007 *WSJ* article indicates that the Department was prosecuting Overland, *Main Justice* reported last week that the Department entered into a Non-Prosecution Agreement (NPA) with Islamic Investment regarding tax fraud issues.

As the former Chairman and Ranking Member of the Senate Finance Committee, of which I remain a senior member, I have a long history of working to shut down offshore tax evasion. However, tax evasion and terrorism financing have very different penalties and it is not clear exactly what charges the Department has agreed not to prosecute. It is also not clear why a grand jury probe of Overland has resulted in a settlement with Islamic Investment. As a result, I write to request information concerning the settlement between Islamic Investment and the Department.

While this settlement was reportedly negotiated by the Department’s Tax Division, it appears that the Department’s National Security Division likely participated on some level. Islamic Investment reportedly has ties to the royal family in Saudi Arabia, the Muslim Brotherhood, Hamas, and Al-Qaeda. I am concerned at the Department’s lack of transparency associated with this NPA. Accordingly, I ask the Department to provide my office a briefing to discuss the NPA with Islamic Investment. Specifically, I request the Department to provide a copy of the NPA, and any related or attached documents, in advance of the briefing. I also ask that the Department be prepared to answer the following questions:

- (1) Were these alleged connections between Islamic Investment and the Saudi royal family, the Muslim Brotherhood, Hamas, and Al-Qaeda considered by the Department? Were these ties actually found to exist and to what extent were they a significant factor in the settlement?
- (2) How did this case move within the Department, from the Criminal Division to the National Security Division to the Tax Division? Were any other offices at the Department involved in the investigation or settlement?
- (3) Was Overland or DMI also subject to an NPA or a DPA (Deferred-Prosecution Agreement)? If yes, please provide those agreements.
- (4) Who are the individuals at the Department who approved this agreement?
- (5) Why has the Department not publicized this settlement? Why was there no public press release announcing the settlement? Were the alleged ties between the Saudi royal family, the Muslim Brotherhood, Hamas, and Al-Qaeda a significant factor in the decision not to issue a press release?
- (6) How much money did the NPA involve? How did the Department determine what the proper settlement figure was?

I ask that you provide the requested documents and the briefing to my staff no later than September 16, 2011. In the event the briefing will involve the discussion of classified information, please inform my staff to make the appropriate arrangements.

Thank you for your cooperation and attention to this important matter.

Sincerely,



Charles E. Grassley
Ranking Member

cc: The Honorable Patrick Leahy, Chairman
Senate Committee on the Judiciary