

**AFFIDAVIT IN SUPPORT OF APPLICATION
FOR ARREST AND SEIZURE WARRANTS**

I, Samuel Smemo, Jr., being duly sworn, depose and state the following:

Affiant's Qualifications

1. I am a Supervisory Special Agent with the Federal Bureau of Investigation's Joint Terrorism Task Force ("JTTF"), Philadelphia Division, and have been so employed since March 2007. From March 2004 through March 2007, I was a Supervisory Special Agent with the International Terrorism Operations Section (ITOS-1) in FBI Headquarters. I served as a Special Agent of the FBI from August 1998 through March 2004. From 1988 through 1998, I served with the United States Marshals Service. I have received basic and advanced training in the areas of criminal investigation, evidence collection, and the handling of confidential human sources. During the years assigned to the JTTF, I have investigated a variety of federal violations, including Providing Material Support to a Designated Terrorist Organization (18 U.S.C. § 2339B); Possession of Machineguns (18 U.S.C. § 922(o)); Transportation of Weapons in Interstate/Foreign Commerce (18 U.S.C. § 922(a)(4)); Acquiring Missile System Designed to Destroy Aircraft (18 U.S.C. § 2332g); Transportation of Stolen Property (18 U.S.C. § 2314); Trafficking in Counterfeit Goods (18 U.S.C. § 2320); Money Laundering (18 U.S.C. §§ 1956 & 1957); False Statements to Government Officials (18 U.S.C. § 1001); Passport Fraud (18 U.S.C. §§ 1542 & 1543); Dealing in Counterfeit Obligations (18 U.S.C. § 473); Conspiracy (18 U.S.C. § 371); and Aiding and Abetting (18 U.S.C. § 2).

Introduction

2. I make this affidavit in support of a complaint and warrants for the arrests of the following defendants on the following charges:

STATUTE	CHARGE	DEFENDANT(S)
18 U.S.C. § 2339B	Conspiring to Provide Material Support to a Designated Foreign Terrorist Organization	HASSAN HODROJ, and DIB HANI HARB
18 U.S.C. § 2339B	Conspiring to Provide Material Support to a Designated Foreign Terrorist Organization	DIB HANI HARB, HASAN ANTAR KARAKI, and MOUSSA ALI HAMDAN

18 U.S.C. § 371	Conspiracy to Traffic in Counterfeit Goods	MOUSSA ALI HAMDAN, HAMZE EL-NAJJAR, a/k/a "Hamze Al-Najjar," MOUSTAFA HABIB KASSEM, ALAA ALLIA AHMED MOHAMED, a/k/a "Alaa Ahmed Mohamed Abouelnagaa" MAODO KANE, and MICHAEL KATZ
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3. The facts set forth in this affidavit reflect my personal knowledge, information obtained during my participation in this investigation, review of documents, knowledge obtained from other individuals including law enforcement personnel, and communications with others who have personal knowledge of the events and circumstances described herein. Because this affidavit is submitted for the limited purpose of establishing probable cause, the affidavit does not set forth every fact learned during the course of this investigation.

Background and Overview

4. I am aware that Hizballah is an organization based in Lebanon whose mission is the establishment of a fundamentalist Islamic empire and the destruction of the State of Israel. Since its inception in the early 1980's, Hizballah has regarded the United States as its enemy in this struggle. On or about October 8, 1997, Hizballah was designated by the United States Secretary of State as a Foreign Terrorist Organization, pursuant to Section 219 of the Immigration and Nationality Act, and has remained so designated through and including the present time.

5. In or about late 2006, law enforcement officials became aware that various individuals were attempting to purchase large quantities of purportedly stolen cellular telephones for shipment overseas. One of these men was defendant MOUSSA ALI HAMDAN. In or about late 2007, a cooperating witness acting as an agent of the government (hereinafter "the CW") communicated with HAMDAN via phone and discussed the purchase of cellular telephones by HAMDAN that the CW represented to HAMDAN as stolen.¹ Soon thereafter, the two met to discuss the purchase of stolen cellular telephones, as well as counterfeit merchandise, by HAMDAN. Over the next several months, HAMDAN and other defendants — including HAMZE EL-NAJJAR, MOUSTAFA HABIB KASSEM, LATIF KAMEL HAZIME, a/k/a "Adanan," ALAA ALLIA AHMED MOHAMED, a/k/a "Alaa Ahmed Mohamed Abouelnagaa," MAODO KANE, and MICHAEL KATZ — participated in the purchase and transportation of "stolen" and/or counterfeit goods on numerous occasions.

¹ The definition of "stolen" in this and similar crimes, pursuant to 18 U.S.C. § 21, includes items that are represented to be stolen by a government agent.

6. In or about July 2008, defendant MOUSSA ALI HAMDAN also advised the CW that he could obtain counterfeit money from Lebanon for sale in the United States. In or about September 2008, HAMDAN introduced the CW to another defendant, DIB HANI HARB, who was involved in the sale of counterfeit money to support Hizballah. Defendant HARB thereafter introduced the CW to other supporters of Hizballah who were involved in the sale of counterfeit money, stolen money, and fraudulent passports to support Hizballah (including defendant HASAN ANTAR KARAKI), as well as those involved in the purchase of weapons to support Hizballah (including defendant HASSAN HODROJ).

Conspiracy to Transport Stolen Goods — 18 U.S.C. § 371

7. The CW first discussed the sale of stolen goods with defendant MOUSSA ALI HAMDAN via phone in or about late 2007. Thereafter, starting in or about January 2008, the CW communicated with HAMDAN and other of his associates involved in the purchase of stolen goods, defendants HAMZE EL-NAJJAR, MOUSTAFA HABIB KASSEM, and LATIF KAMEL HAZIME, a/k/a "Adanan," during a series of transactions where the CW sold to the defendants goods that the CW represented to be stolen. On each occasion, the transfer of the stolen goods — namely, cellular telephones, laptop computers, Sony PlayStation 2 systems, and automobiles — from the CW to the defendants took place at a location in the Eastern District of Pennsylvania or originated with a shipment that traveled from the Eastern District of Pennsylvania to a location dictated by the defendants. On each occasion, the defendants thereafter caused the goods to be transported in interstate and foreign commerce to destinations such as New Jersey, New York, Benin, Lebanon, and Margarita Island, Venezuela.

a) On or about January 31, 2008, MOUSSA ALI HAMDAN purchased approximately 455 purportedly stolen cellular telephones from the CW in Philadelphia. During this transaction, the CW emphasized the phones' stolen status and said that they must not be activated in the United States. HAMDAN assured the CW that the recipient of the phones in California would export the phones to South America. After the purchase, HAMDAN transported the phones to his storage facility in Cinnaminson, NJ.

b) On or about March 10, 2008, HAMDAN paid the CW approximately \$3,000 for the purportedly stolen vehicle and caused the CW to export the purportedly stolen 1998 Nissan Pathfinder to an associate in Cotonou, Benin. Earlier, in or about January 2008, the CW had advised HAMDAN that the 1998 Nissan Pathfinder was stolen, and that the vehicle identification number (VIN) had been removed and replaced with the VIN from a salvaged vehicle in order to give the illusion that the Pathfinder was not stolen.

c) On or about March 27, 2008, defendant MOUSSA ALI HAMDAN purchased approximately 100 purportedly stolen Sony PlayStation 2 systems from the CW in Philadelphia and caused the CW to ship the PS2 systems to Margarita Island, Venezuela. On or about April 2, 2008, HAMDAN emailed the CW with a fax number in Venezuela and instructed the CW to send a receipt detailing the purchase. Although the sale price was \$85 per system, HAMDAN instructed the CW

to list the purchase price as \$60. On or about April 4, 2008, the CW sent this invoice to an email address provided by HAMDAN (and later revealed to be used by defendant LATIF KAMEL HAZIME, a/k/a "Adanan").

d) On or about July 23, 2008, defendant MOUSSA ALI HAMDAN instructed the CW to ship approximately 200 purportedly stolen Sony PlayStation 2 systems from Philadelphia to defendant MOUSSA ALI HAMDAN's associate in Margarita Island, Venezuela. On or about July 29, 2008, the CW sent via email to defendants HAMDAN and LATIF KAMEL HAZIME, a/k/a "Adanan," an invoice of sale prepared at HAMDAN's direction for the 200 purportedly stolen PS2 systems that falsely represented their price to be approximately \$11,600 instead of the approximately \$18,000 that HAMDAN paid for the goods.

e) On or about August 13, 2008, defendant LATIF KAMEL HAZIME, a/k/a "Adanan," spoke to the CW about the stolen status of the electronics that the CW had exported from Philadelphia to the defendants in Venezuela. The CW stated to HAZIME that their telephone conversation was secure and then emphasized that all of the merchandise previously provided to defendant HAMDAN by the CW was stolen and should not normally be spoken about over the phone. HAZIME said this was not a problem and that they were just making a living.

f) On or about November 13, 2008, defendants MOUSSA ALI HAMDAN, HAMZE EL-NAJJAR, a/k/a "Hamze Al-Najjar," and MOUSTAFA HABIB KASSEM met with the CW in New York, and the CW provided the defendants a sample of purportedly stolen cellular telephones and laptop computer available for sale.

g) On or about November 24, 2008, defendants MOUSSA ALI HAMDAN and MOUSTAFA HABIB KASSEM took possession of approximately 50 purportedly stolen cellular telephones and approximately 50 purportedly stolen laptop computers from the CW in Philadelphia. Following the sale, law enforcement officers observed HAMDAN and KASSEM transport the stolen goods from Pennsylvania to New Jersey.

h) On or about December 15, 2008, defendants MOUSSA ALI HAMDAN and MOUSTAFA HABIB KASSEM took possession of approximately 112 purportedly stolen cellular telephones and approximately 50 purportedly stolen laptop computers from the CW in Philadelphia. In that meeting, KASSEM gave the CW approximately \$500 in cash and stated that this money represented money owed the CW by defendant HAMZE EL-HAJJAR from their previous purchase (of stolen goods in or about November 2008, *see supra*). KASSEM also confirmed that the CW would be paid for this day's transaction by wire transfer from Africa. After the purchase, law enforcement officers observed HAMDAN and KASSEM transport the purportedly stolen electronics from Pennsylvania to New Jersey.

i) On or about May 27, 2009, defendant MOUSSA ALI HAMDAN took possession of approximately 119 purportedly stolen cellular telephones, approximately 100 purportedly stolen Sony PlayStation 2 systems, and approximately 42 purportedly stolen laptop

computers from the CW in Philadelphia. At this meeting, the CW emphasized that the stolen goods needed to be sent overseas to avoid detection in the United States. After the purchase, law enforcement officers observed HAMDAN transport the purportedly stolen electronics from Pennsylvania to New Jersey in a rented U-Haul vehicle.

Conspiracy to Traffic in Counterfeit Goods — 18 U.S.C. § 371

8. In or about January 2008, defendant MOUSSA ALI HAMDAN also expressed an interest in purchasing counterfeit goods from the CW. HAMDAN advised the CW that he sold counterfeit goods at a flea market in New Jersey and also shipped counterfeit goods overseas for resale. Starting in or about January 2008, in a series of transactions described in the chart below, the CW sold counterfeit goods to HAMDAN and his associates, including defendants HAMZE EL-NAJJAR, a/k/a “Hamze Al-Najjar,” MOUSTAFA HABIB KASSEM, ALAA ALLIA AHMED MOHAMED, a/k/a “Alaa Ahmed Mohamed Abouelnagaa,” MAODO KANE, and MICHAEL KATZ. On each occasion, the counterfeit goods — namely, Nike® shoes and Mitchell & Ness® sports jerseys — were inspected in advance of the transaction by a representative of the manufacturer of the legitimate goods to confirm that the goods were in fact counterfeit, that is, bearing a counterfeit mark either identical with a registered trademark or substantially indistinguishable from a registered trademark and is likely to cause confusion, mistake, or to deceive a purchaser.

DEFENDANT(S)	DATE (on or about)	COUNTERFEIT GOODS (approximately)
MOUSSA ALI HAMDAN	January 26, 2008	50 pairs of Nike® shoes
MOUSSA ALI HAMDAN	January 31, 2008	250 pairs of Nike® shoes
MOUSSA ALI HAMDAN	March 13, 2008	300 pairs of Nike® shoes
MOUSSA ALI HAMDAN	March 25, 2008	400 pairs of Nike® shoes
MOUSSA ALI HAMDAN ALAA ALLIA AHMED MOHAMED a/k/a “Alaa Ahmed Mohamed Abouelnagaa” MAODO KANE MICHAEL KATZ	July 24-28, 2008	1572 pairs of Nike® shoes & 334 Mitchell & Ness® sports jerseys
MOUSSA ALI HAMDAN HAMZE EL-NAJJAR a/k/a “Hamze Al-Najjar” MOUSTAFA HABIB KASSEM	November 8-13, 2008	1,940 pairs of Nike® shoes
MOUSSA ALI HAMDAN	May 27, 2009	1,000 pairs of Nike® shoes

9. The goods purchased on these occasions were specifically represented to the defendants as counterfeit by the CW,² and the defendants made clear that the goods were to be resold for profit:

a) In a meeting on or about January 21, 2008, the CW emphasized to defendant HAMDAN that the Nike® shoes that the CW was offering for sale were counterfeit.

b) On or about June 25, 2008, defendant HAMDAN told the CW that he had found a buyer for 1,600 pairs of counterfeit Nike® shoes. HAMDAN asked the CW if he could provide that many shoes in the next two weeks.

c) On or about July 24, 2008, defendant HAMDAN traveled in two cars with defendants ALAA ALLIA AHMED MOHAMED, a/k/a "Alaa Ahmed Mohamed Abouelnagaa," MAODO KANE, and MICHAEL KATZ to pick up counterfeit goods (Nike® shoes and Mitchell & Ness® sports jerseys) from the CW's Philadelphia storage facility. While the defendants were loading the goods into a van, the CW reiterated to MOHAMED that the goods were counterfeit; MOHAMED responded that he knew this, and that he even knew that it was a federal crime in which "the hit is 25 years!" Partial payment was made by HAMDAN producing approximately \$1,500 cash from his pocket and obtaining another approximately \$1,000 in cash from MOHAMED. HAMDAN noted in conversation with the CW that MOHAMED worked for HAMDAN and would sell these shoes at flea markets.³

d) On or about July 28, 2008, defendants HAMDAN, KATZ, and KANE returned to the CW's Philadelphia storage facility to take possession of the remainder of the shoes and sports jerseys that they were unable to take on July 24th. HAMDAN provided the CW with another approximately \$1,000 in cash in partial payment. As KATZ and KANE were loading their vans, the CW advised them to hurry in order to avoid being "exposed" loading the vans.

e) In a conversation on or about October 29, 2008, defendant HAMZE EL-NAJJAR told the CW that he had received approximately \$1,000 from defendant ALAA ALLIA AHMED MOHAMED, a/k/a "Alaa Ahmed Mohamed Abouelnagaa," in payment for business conducted with HAMDAN. EL-NAJJAR then asked the CW about the status of the approximately 2,000 counterfeit Nike® sneakers that the CW discussed with HAMDAN on or about July 28, 2008. EL-NAJJAR said that he had a buyer who could move the shoes quickly and pay cash.

² The definition of "counterfeit" includes items that are counterfeit as well as items that are represented to be counterfeit by an individual working at the direction of a government agent. 18 U.S.C. § 21.

³ Later that same day, MOHAMED's car was stopped in New Jersey by a New Jersey State Trooper. MOHAMED told the Trooper that his occupation was "selling stuff" at flea markets. He claimed to the Trooper that the hundreds of pairs of shoes in his van, however, were for personal use.

f) On or about November 4, 2008, HAMDAN sent a text message to the CW stating that \$2,000 would be provided tomorrow. On or about November 5th, EL-NAJJAR approached the CW and delivered approximately \$2,000 cash; EL-NAJJAR said that this money covered HAMDAN's recent purchases [of counterfeit goods].

g) On or about November 8, 2008, defendants EL-NAJJAR and MOUSTAFA HABIB KASSEM together picked up approximately 1,940 pairs of counterfeit Nike® shoes at the CW's Philadelphia storage facility. While loading the shoes into the van, KASSEM made a comment about the poor quality of some of the shoes, to which the CW responded, in substance, "What do you expect? They're fake." On or about November 13, 2008, the CW drove the remainder of the counterfeit shoes purchased in Philadelphia on November 8th to a storage facility in Staten Island, New York, where he delivered the shoes to HAMDAN, EL-NAJJAR, and KASSEM.

Conspiring to Provide Material Support to a Designated Foreign Terrorist Organization (Hizballah) — Passports & Counterfeit/Stolen Currency — 18 U.S.C. § 2339B

Counterfeit & Stolen Money

10. On or about July 24, 2008, MOUSSA ALI HAMDAN told the CW that he had a contact who could supply counterfeit United States currency, if the CW was interested. On or about July 30, 2008, HAMDAN told the CW that he planned to meet his source of supply for counterfeit money soon and said he would provide the CW with a sample of the counterfeit money by mail; the two agreed that the sample would be sent to the CW in a birthday card, and that "birthday card" would be their code for the counterfeit money in any telephone discussions of the matter.

11. In or about September 2008, the CW met defendant MOUSSA ALI HAMDAN and his purported supplier of counterfeit United States currency. On or about September 15, 2008, HAMDAN indicated he would bring the supplier to a meeting with the CW three days later. HAMDAN advised the CW that this individual, with whom he (HAMDAN) had previous business dealings, was affiliated with Hizballah. HAMDAN told the CW that HAMDAN had to get approval for the CW to meet this individual (later identified as defendant DIB HANI HARB) through HAMDAN's brother ("J.A.H.," who, according to HAMDAN, was aware of HARB's access to counterfeit currency).

12. On or about September 18, 2008, defendant MOUSSA ALI HAMDAN introduced the CW to defendant DIB HANI HARB, telling HARB that the CW was a supporter of Hizballah.

a) During the ensuing discussions about counterfeit money, HARB initially provided a sample of poor-quality counterfeit United States currency to the CW, which the CW promptly dismissed as unworthy. HARB thereupon produced a higher-quality, purportedly counterfeit \$100 bill, which HARB stated could be obtained for approximately \$.40 per counterfeit dollar. HARB claimed that a counterfeit supernote [high-quality counterfeit bill] was manufactured in the Islamic Republic of Iran specifically for the benefit of Hizballah that might be obtained by the

CW. HARB used a special pen to demonstrate that the supernote currency passed the usual tests for counterfeit money, and claimed that he had successfully deposited \$10,000 of the counterfeit money into a bank account in Canada recently. HARB stated that Hizballah would need to approve a sale of this variety of counterfeit money.

b) The CW expressed an interest in receiving this supernote, and HARB pledged to explore with Hizballah leaders the possibility of obtaining this counterfeit currency for the CW. HARB clarified that the printer of the counterfeit bills is located in Baalbeck, Lebanon and that the printer can produce, among other currencies, counterfeit United States \$50 bills and Euros. The CW advised HARB that his contact in the United States was willing to purchase approximately \$1 million in counterfeit United States currency. HARB told the CW that no one should fear criminal prosecution [in Lebanon] for this counterfeiting activity, indicating that "they" know everyone, even the judges. HAMDAN indicated his agreement with HARB when HARB explained this to the CW. HARB instructed HAMDAN to send a sample of high-quality counterfeit currency to the CW in the United States.

13. On or about October 7, 2008, the CW received in Philadelphia a photo album via mail delivery. Imbedded in the inside cover of the album were two, \$100 bills. These bills were examined by experts from the United States Secret Service and were determined to be genuine (*i.e.*, not counterfeit).⁴ In later conversations in November 2008, both DIB HANI HARB and MOUSSA ALI HAMDAN acknowledged that, while Hizballah is involved in counterfeiting, the money delivered by mail to the CW in Philadelphia was, in fact, genuine currency, which was stolen. HARB stated that Hizballah has decreed that this stolen money shall not be spent in the Middle East because of the risk of detection of Hizballah's involvement.

14. On or about November 25, 2008, the CW introduced a law enforcement officer acting in an undercover capacity (hereinafter "the UC") to defendant MOUSSA ALI HAMDAN, claiming to be brokering a deal for counterfeit money on behalf of the UC, an organized crime figure in Philadelphia. On that date, HAMDAN, the CW, and the UC met in Philadelphia. HAMDAN explained that the sample of counterfeit money he had provided for the UC and the CW was not, in fact, counterfeit. HAMDAN called defendant DIB HANI HARB on a cellphone. HARB explained in Arabic to the CW that the genuine United States currency had been stolen. HARB emphasized that the cash was genuine and that Hizballah had given approval for the sale to the CW and the UC. He also emphasized that they could not do small deals, preferring to do at least \$500,000 at a time. HARB noted that he would work on a delivery method for the shipment. The CW sought clarification that Hizballah had given its approval, and HARB confirmed again that Hizballah had approved the deal. At that point, HAMDAN took back the phone from the CW and told HARB that they should not talk about these matters over the phone. Following the phone call, the UC agreed

⁴ Because the CW could not reveal his knowledge that this currency was genuine, discussions between the CW and HAMDAN continued on the purchase of only "counterfeit" money; then in late November 2008, as described *infra*, HAMDAN and HARB acknowledged that this currency was genuine money that had been stolen.

to purchase approximately \$30,000 of the stolen funds at a rate of \$.65 per dollar, which included a commission to the CW and HAMDAN. HAMDAN suggested that a smaller shipment of money would be easier to conceal.

15. Later on or about November 25, 2008, defendant MOUSSA ALI HAMDAN provided instructions for the CW/UC to wire payment for the stolen currency. The bank account was located in Haret Hreik, Lebanon, and HAMDAN stated that this was the same account from which HAMDAN had wired money to the CW in the past to make payment for purchases [of stolen and counterfeit goods]. The CW wired approximately \$18,000 into the designated Lebanese account on or about November 25, 2008 in payment for approximately \$30,000 of the stolen currency. On or about December 3, 2008, HAMDAN called defendant DIB HANI HARB in the presence of the CW (on speakerphone). HARB confirmed that the stolen currency had been packaged in photo albums, as before, and would be sent the next day. After HARB hung up, HAMDAN stated that "they" now also had some good-quality counterfeit money for the UC to purchase.

16. Conversations between the CW and defendants MOUSSA ALI HAMDAN and DIB HANI HARB continued throughout in or about 2008 in which the parties discussed the sale of stolen and/or counterfeit currency to the CW in exchange for his initial payment of approximately \$18,000.

17. On or about February 14, 2009, the CW met directly with defendant DIB HANI HARB.

a) HARB took the CW to meet defendant HASAN ANTAR KARAKI. When the CW stated that his purpose in visiting KARAKI (escorted by HARB) was to purchase counterfeit and stolen United States currency, KARAKI replied that this would be no problem. KARAKI called for an assistant ("Individual A") to bring samples of the counterfeit money to his residence. KARAKI showed the CW and HARB a sample of counterfeit Kuwaiti currency. KARAKI also displayed a \$100 bill that he advised was genuine, stolen United States currency, which KARAKI characterized as the type of money that the CW had already received via mail (exhibiting knowledge of HARB and defendant MOUSSA ALI HAMDAN's earlier delivery of a sample of this stolen money). KARAKI explained that the stolen money should be used in small amounts and that Hizballah would be upset if it was found to have been used within Lebanon. He noted that both the stolen and counterfeit money was smuggled from Iran into Syria via Turkey; once in Syria, he said, Hizballah has no problem getting the currency into Lebanon.

b) While waiting for Individual A to deliver a sample of counterfeit United States currency, KARAKI showed no hesitation in discussing Hizballah or his own connection to the group. He stated that Iran provides advanced military training for Hizballah protection details and that his brother is responsible for all Hizballah security in a Hizballah-dominated neighborhood of Beirut (the *Dahiya*). KARAKI also noted that Hizballah had access to data from a new Iranian satellite. The CW inquired about this satellite, and KARAKI stated that it was an Iranian satellite that could

provide Hizballah pictures of every location in Israel.⁵

c) When KARAKI's assistant, Individual A, delivered the sample counterfeit United States currency to KARAKI, Individual A jokingly opined that the CW might be an "undercover." KARAKI showed the CW approximately two \$100 bills and stated that one of them was "pen" quality and the other was "machine" quality. KARAKI explained that "pen" quality meant that it could pass a common test in which a particular type of ink was applied to the bill; "machine" quality indicated that the bill could fool the counterfeit-detection machines used in banking institutions. The CW stated that his first order would be for approximately \$1 million — one half "pen" quality and one half "machine" quality. The CW cautioned that samples of each bill would need to be sent to his partners in Philadelphia for examination and testing. KARAKI approved this plan. KARAKI allowed the CW to purchase approximately six \$100 samples at approximately 26 cents per dollar, and agreed that the price of the counterfeit currency could be negotiable depending on whether the CW paid HARB's commission. HARB thereupon took the approximately six samples and agreed to mail these to a Philadelphia address provided by the CW.

d) KARAKI stated that the price of the stolen United States currency was non-negotiable at 60 cents of face value. KARAKI also made it clear that approval from Hizballah was needed to release this stolen currency and that he would need at least a day's notice to obtain this approval. KARAKI directed the CW to keep in touch with HARB regarding the purchases of counterfeit and stolen currency.

18. Subsequent to that meeting, defendant DIB HANI HARB showed the CW a photo album which HARB advised contained the six sample counterfeit bills hidden amidst pictures of a child. The two then mailed the album to Philadelphia, where the CW advised that his associates would test the money. After confirming on or about February 23, 2009, that the album had arrived back in the United States,⁶ the CW met HARB, on or about February 24, 2009. HARB then called defendant HASAN ANTAR KARAKI, and KARAKI and Individual A soon joined the meeting. With everyone together, the CW informed KARAKI that the approximately six sample \$100 bills had been tested by his partners and that the CW would proceed with a large transaction. KARAKI stated that he would deliver the counterfeit currency first, and that the CW could later make payment in a safe manner. KARAKI also showed the CW counterfeit 200 Euro notes and another counterfeit \$100 bill. KARAKI explained that this \$100 bill was also made in Iran like the "pen" and "machine" samples.

19. Upon his return to the United States, the CW met defendant MOUSSA ALI

⁵ This corresponds to public reports about the Iranian launch of a satellite called "Omid" on or about February 2, 2009.

⁶ Subsequent testing of the counterfeit notes provided to the CW by KARAKI indicated that they were, in fact, all counterfeit.

HAMDAN on or about March 3, 2009. The CW told HAMDAN that the CW had negotiated with defendants DIB HANI HARB and HASAN ANTAR KARAKI to obtain the counterfeit United States currency. HAMDAN stated that KARAKI had been involved in counterfeiting for a long time. The CW showed HAMDAN a sample counterfeit 200 Euro note that KARAKI had given him. HAMDAN stated that this sample was good.

20. On or about March 3, 2009, the CW placed a call to defendant DIB HANI HARB, where HARB then connected the CW to defendant HASAN ANTAR KARAKI directly; the CW thanked KARAKI for meeting the CW, and KARAKI affirmed his desire to do business with the CW. The CW offered to send KARAKI a thank-you gift, and KARAKI provided his home address [in the *Dahiya*].

21. In or about April 2009, defendant DIB HANI HARB traveled to Florida to meet the CW, the UC, and defendant MOUSSA ALI HAMDAN. The purpose of this trip was for HARB (escorted by HAMDAN) to meet the UC and answer any remaining questions about the impending, large purchase of counterfeit United States currency from Hizballah.⁷

a) During this visit, HARB made several, explicit statements about his connection to Hizballah to the CW and the UC. For example, HARB noted that his father-in-law (later determined to be defendant HASSAN HODROJ)⁸ was an influential figure in Hizballah and that Hizballah Secretary General Hassan Nasrallah presided at his (HARB's) wedding. HARB acknowledged that the United States [government] viewed Hizballah as a terrorist group. In addition, HARB told the UC that his medical clinic in the *Dahiya* was simply a cover for his activities on behalf of Hizballah, and described the *Dahiya* as "all Hizballah, Terrorism Hizballah." HARB stated that Hizballah receives a great deal of money from Iran and told the UC that Hizballah maintains small cells throughout the world. HARB cited Hizballah's attack on a Jewish facility in Argentina as an example of the work of one of these cells.

b) In this meeting, defendant DIB HANI HARB provided additional details about the stolen currency offered for sale. HARB explained that the stolen money was generated from robberies conducted by Hizballah cells; the stolen funds were thereupon sent to Iran before ultimate distribution to Hizballah in Lebanon. HARB said that this type of money had previously been furnished to people associated with Hizballah's security forces and now was used to raise funds for Hizballah. HARB advised that some of the stolen currency was dye-stained and that it was therefore unavailable for sale. HARB gave a dye-stained Swedish krona to the UC and indicated that \$2 million worth of this Swedish currency was available for sale as a result of a bank robbery that was

⁷ Prior to this meeting, the CW spoke with KARAKI over the phone, and KARAKI promised to send Individual A as his representative to the Florida meeting if HARB was unable to enter the United States for any reason.

⁸ HODROJ is publicly recognized and acknowledged as a member of Hizballah's Political Council.

executed by Hizballah supporters. HARB negotiated a purchase price with the UC of 23 cents per dollar for the counterfeit United States currency⁹ and 60 cents per dollar for any future sale of stolen currency. HARB stated that the price of delivery to the United States would be 5% of the total value of each shipment, and that he would take an additional 3% commission from every deal. Payment for the currency would be due upon its receipt.

22. On or about June 11, 2009, the CW again met defendant DIB HANI HARB and Individual A. Individual A advised the CW that his brother had been recently arrested in Lebanon for spying on behalf of Israel.¹⁰ Individual A reported that this caused significant problems within Hizballah for KARAKI because Individual A's brother had also worked within KARAKI's counterfeiting operation. Individual A stated that this scrutiny was the reason for a delay in KARAKI shipping counterfeit money to the CW. Individual A suggested new shipping arrangements for the counterfeit money promised to the CW, while trying to pitch the CW to move forward on even bigger transactions of counterfeit money. Individual A advised the CW that all types of counterfeit currencies were available for the CW, including Kuwaiti dinars and United States dollars. Individual A advised against a prior plan to hide counterfeit currency in a furniture shipment because, apparently, furniture shipments from Beirut were being scrutinized [which increased the chances of a seizure by law enforcement authorities]. Individual A instead suggested that the CW send a U.S.-registered vehicle to Beirut, so that Individual A could pack the car full of counterfeit money (up to \$1 million) before sending it back to the CW. Individual A advised that he had previously smuggled millions of dollars in this manner.

23. On or about September 2, 2009, the CW received approximately \$9,200 in counterfeit United States currency in Philadelphia by mail delivery. The currency was hidden inside a photo album. On or about September 3, 2009, the CW spoke via telephone with defendant DIB HANI HARB, and HARB confirmed his role in sending the counterfeit money.

Counterfeit Passports

24. During the meetings with Individual A and defendants HASAN ANTAR KARAKI and DIB HANI HARB, in or about February 2009, where they discussed the sale of counterfeit and stolen money, KARAKI also offered the CW British, American, or French passports, and even displayed for the CW wooden-handled visa stamps that KARAKI would use to make fake passports appear more authentic. KARAKI provided a telephone number for future contact if the CW wanted to purchase these fake passports/visas.

25. In a subsequent meeting with defendant DIB HANI HARB in Florida in or about April 2009, HARB advised the CW and the UC that "they" [Hizballah] could make fake UAE

⁹ HARB passed counterfeit \$100 bills during his stay in Florida, at least one of which was recovered by the FBI.

¹⁰ This fact was confirmed through publicly available information.

passports, as well. HARB claimed to possess a fake Italian passport, and they discussed defendant HASAN ANTAR KARAKI's ability to make a fake Italian passport for the UC's associates. HARB stated that all that he needed to obtain these fake documents was a photograph and the corresponding biographical data.

26. On or about May 8, 2009, the CW contacted defendant HASAN ANTAR KARAKI at the phone number KARAKI had provided. In addition to advising the CW that he (KARAKI) was personally taking care of the shipment of counterfeit currency to the CW, KARAKI went on to discuss fake Italian passports and driver's licenses that he could sell to the CW for 7,000 Euro. KARAKI explained that the passports were genuine books that were acquired through Italian immigration officials. KARAKI instructed the CW to send the photographs for the fake passports to his home address and send the corresponding biographical information for each passport to HARB via facsimile.

27. On or about May 12, 2009, defendant HASAN ANTAR KARAKI called the CW and asked if the CW was still interested in obtaining the fake passports. This time, KARAKI offered both Italian and Czech Republic passports; he noted that an unidentified male was traveling to the Czech Republic for the purpose of obtaining the passports. KARAKI reiterated the procedure that the CW should follow: sending photographs to him (KARAKI) and biographical information to HARB's fax machine. KARAKI promised that the passports would be ready in approximately seven days and that they would thereafter be mailed from either Italy or the Czech Republic. KARAKI promised to send a text message relaying payment instructions to the CW. Those instructions arrived via text message later, on or about May 12, 2009. KARAKI directed that payment be made to "Dib Hani Harb" at a particular bank account in Lebanon. Later, HARB personally transmitted his swift code and bank information to the CW to facilitate the transfer.

28. On or about May 21, 2009, defendant DIB HANI HARB spoke with the CW via telephone. In that conversation, HARB stated that he could get the CW anything the CW wanted from Hizballah because of his father-in-law's (HODROJ) high-ranking position in Hizballah.¹¹

29. Also on or about May 21, 2009, defendant MOUSSA ALI HAMDAN and the CW spoke about the fake passports. HAMDAN told the CW that he (HAMDAN) would assist the CW in making payment for the passports (\$10,000) as partial satisfaction of his debt to the CW [for purchases of purportedly stolen/counterfeit goods, *see supra*]. HAMDAN reiterated this agreement to pay (\$10,000) for the two fake passports on or about May 27, 2009, and the CW handed HAMDAN a sheet of paper with HARB's banking information. HAMDAN added that he had a contact in Europe who could supply fake passports for less money (approximately \$5,000).¹²

¹¹ Publicly available information confirms that HODROJ is a member of Hizballah's Political Council.

¹² In fact, MOUSSA ALI HAMDAN later took steps to obtain a fraudulent passport for the CW from a contact in Venezuela.

30. In or about June 2009, the CW met with defendant DIB HANI HARB and completed negotiations with HARB for the purchase of two fraudulent passports from HARB and defendant HASAN ANTAR KARAKI. The total sale price for the two passports was to be approximately \$19,600.

31. On or about June 11, 2009, at the direction of defendant MOUSSA ALI HAMDAN, the CW received approximately \$5,000 cash on behalf of HAMDAN from an individual known to the CW as "Mohamad." "Mohamad" told the CW that this was the amount that HAMDAN had instructed him to bring. In a phone call with the CW, HAMDAN agreed to supply the remainder of the cash (another approximately \$5,000) at a second meeting with "Mohamad."¹³ That second meeting occurred on or about June 13, 2009, during which "Mohamad" delivered another approximately \$5,000 cash to the CW and acknowledged that he was defendant HAMZE EL-NAJJAR's brother.

32. On or about June 11, 2009, the CW delivered approximately \$5,000 cash to defendant DIB HANI HARB and asked that HARB proceed with creating the two fraudulent passports earlier requested.¹⁴ The CW delivered the other approximately \$5,000 cash to HARB on or about July 13, 2009. On or about June 29, 2009, a package was delivered to the CW in Philadelphia from "Kassem Abbas, Dahieh Hady Nasrallah, Beirut, Lebanon." Inside that package were two fraudulent passports that the CW had earlier ordered from defendant HASAN ANTAR KARAKI and HARB, one from the United Kingdom and one from Canada. Both were hidden inside the covers of a photo album. The photographs inside these passports were the same photographs supplied to KARAKI by the CW on or about May 18, 2009. Subsequent investigation revealed both passports to be legitimate passports (obtained in the name of other people) with counterfeit pages inserted and displaying the photos supplied by the CW. On or about June 30, 2009, the CW made the remainder of payment for these passports by transferring \$9,600 from the CW's account to the account designated by KARAKI and HARB: a bank account in the name of "Dib Hani Harb" at a bank in Lebanon.

¹³ Upon returning to the USA, the CW positively identified a photograph of defendant EL-NAJJAR's brother as the man "Mohamad" whom he met.

¹⁴ This is also corroborated by a blatant text message that HARB sent to the CW on or about June 12, 2009: "One is British and one is a 100% genuine Canadian."

Conspiracy to Provide Material Support to a Designated Foreign Terrorist Organization (Hizballah) — Machineguns — 18 U.S.C. § 2339B

33. On or about May 13, 2009, at a meeting in New Jersey, defendant MOUSSA ALI HAMDAN asked the CW to provide pistols — concealed inside stolen vehicles — for shipment to Lebanon; HAMDAN stated that he and the CW could make a lot of money on this deal.¹⁵ Later, on or about May 27, 2009, HAMDAN bragged to the CW that he would introduce the CW to a buyer who was interested in purchasing bulk quantities of pistols and rifles.

34. On or about June 13, 2009, the CW raised the idea of a weapons deal with defendant DIB HANI HARB, and HARB and other co-conspirators embraced the idea. On or about June 13, 2009, the CW showed pictures to HARB of firearms, including Colt M4 Carbines (“M4”),¹⁶ and indicated that he could obtain these guns.¹⁷ HARB stated that he wanted to purchase these weapons from the CW. The CW responded that he would not sell any of the guns to HARB without assurances from high-level Hizballah officials that the weapons were bound for Hizballah and would not be intercepted. HARB immediately placed a call to someone, and the CW heard him indicate that he needed to meet in order to discuss a matter in private. When the CW asked HARB to identify the speaker on the phone, HARB indicated that he had called a high-level Hizballah official (“Individual B”). The CW expressed amazement that HARB could so easily contact a high-level Hizballah figure, and HARB showed the CW a contact entry on HARB’s phone for Individual B and wrote out the name of Individual B for the CW on a piece of paper (which the CW retained).

35. Soon thereafter, the CW again met defendant DIB HANI HARB. HARB stated that he had discussed the proposed purchase of guns for Hizballah with Individual B. HARB said that Individual B would pass the information to the individual responsible for procuring weapons for Hizballah. During that conversation, HARB received a call from someone apparently requesting pictures of the weapons that the CW wanted to sell. The CW offered to provide the pictures on his cellular phone. HARB asked the CW to e-mail the photographs to him for further examination.

¹⁵ MOUSSA ALI HAMDAN also noted that he knew an individual in Beirut who could move weapons through the Beirut ports without scrutiny. The CW asked HAMDAN to discuss with his contact in Lebanon what types of weapons were needed.

¹⁶ I am aware that the Colt M4 Carbine is a machinegun manufactured in the United States. The rifle’s short barrel, light weight, collapsible stock, and accessory rails make it useful in close-quarter fighting. These rifles are capable of quickly firing a large number of bullets and can be loaded, among other things, with a 90-round cylindrical magazine. M4s are “machineguns” as that term is defined by federal law. “The term “machinegun” means any weapon which shoots, is designed to shoot, or can be readily restored to shoot, automatically more than one shot, without manual reloading, by a single function of the trigger.” 26 U.S.C. § 5845(b). Herein, the terms M4 and machinegun are used interchangeably.

¹⁷ FBI-Philadelphia agents provided these photos to the CW.

36. FBI agents in Philadelphia [on behalf of the CW] subsequently sent defendant DIB HANI HARB an e-mail containing the photographs, as HARB directed. HARB later called the CW to confirm receipt of the e-mail and stated that he provided it to Hizballah leaders responsible for weapons procurement.

37. On or about June 23, 2009, defendant DIB HANI HARB and the CW together met defendant HASSAN HODROJ.¹⁸ In summary, the CW and HODROJ had the following conversation:

a) HODROJ stated that HARB had informed him that the CW could supply Colt M4 Carbines to Hizballah. HODROJ asked why the CW was offering the M4s for sale. The CW expressed support for Michael Aoun [a/k/a Michel Aoun], a political ally of Hizballah. HODROJ stated that he understood and noted that Aoun signed a cooperation agreement with Hizballah and that they work very well together. The CW also said that Hizballah was the only group in Lebanon with sufficient funds to pay for the weapons. HODROJ acknowledged that this was correct. The CW said that approximately 1,200 M4s were available at a price of approximately \$1,800 per M4 and could be shipped in units of approximately 200 guns each. HODROJ agreed to this quantity and price, and that they should begin with a shipment of approximately 200 M4s.

b) HODROJ added that Hizballah did not need the Glock pistols that were in the picture sent to HARB by the CW. HODROJ said that Hizballah needed only "heavy machinery." HODROJ explained that Hizballah would use the "machinery" offered by the CW in their fight against Jews and to protect Lebanon. In their conversation, HODROJ counseled caution in moving forward because of the potential criminal exposure. HODROJ specifically acknowledged — in the presence of HARB — that he was aware of criminal penalties for this sort of dealing with Hizballah, indicating that, if one deals with Hizballah in the United States, one could go to jail for 100 years..

c) HODROJ instructed the CW to ship the M4s to the Port of Latakia in Syria and asked for an estimate of when the shipment would arrive. The CW said that he would want payment when the goods arrived in Syria and, at that point, would relinquish all responsibility. HODROJ explained that the Port of Latakia is "ours" [Hizballah's] and that Hizballah brings anything it wants into that Port. HODROJ also stated that payment would be made in cash to avoid tracing the payments back to Hizballah.

d) HODROJ asked the CW to assist Hizballah in obtaining other items from the United States. Specifically, HODROJ said that Hizballah needed communications system equipment and spy systems from the United States. HODROJ told the CW that he was involved in weapons and technology procurement for Hizballah. HODROJ directed the CW to work through HARB for the M4 deal. Following the meeting, HARB said to the CW that, if the CW sold M4s to Hizballah,

¹⁸ During his visit to Florida in or about April 2009, defendant DIB HANI HARB stated that his father-in-law (HODROJ) was involved with the smuggling of weapons. The CW subsequently identified a photograph of HODROJ as the man he met with HARB.

he (HARB) would get a commission on the sale.

38. On or about June 26, 2009, defendant DIB HANI HARB called the CW and reported that defendant HASSAN HODROJ was impressed with the CW. HARB emphasized that this was a very serious transaction and that the CW needed to provide the M4s, as promised. The CW agreed to seek approval from his boss, the UC, as well as the UC's boss to ensure that the transaction would go smoothly.

39. Conversations took place between the CW and defendants DIB HANI HARB and HASSAN HODROJ over the next few months in which the defendants continued to make arrangements for Hizballah's purchase of machineguns.

a) On or about August 5, 2009, HARB sent the CW a text message in which HARB stated [in code about the guns] that Individual B was in Iran making headway on the "tires:"

I just received a call from Iran from [Individual B] regarding the tires. He is asking me where they are and telling me that we should not delay.

b) During a telephone call with the CW on or about August 9, 2009, HARB passed the telephone to HODROJ. The CW thanked HODROJ for taking time to meet with him recently and promised delivery of the "1000" [machineguns] in a couple of months. The CW and HODROJ discussed that the "1000" would be sent in one shipment and HODROJ indicated that they would get themselves "ready."

c) During a telephone call with the CW on or about August 30, 2009, HARB again passed the telephone to HODROJ. In that call, the CW confirmed the quantity of weapons being shipped and assured HODROJ that everything was ready. HODROJ and the CW discussed the "tires" [machineguns], a possible delay in shipping [the machineguns], and the need to be careful.

d) On or about September 2, 2009, the CW asked HARB about the continued involvement of Individual B and HARB's father-in-law (HODROJ). HARB confirmed their continued involvement and explained that Individual B was in charge of paying for the weapons.

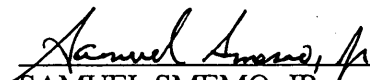
e) On or about September 15, 2009, HARB sent a text message to the CW stating that the matter they have been discussing [the shipment of machineguns] has been reviewed by the "gamehetma,"¹⁹ that "they are very happy."

¹⁹ It is my understanding that the Arabic phrase "gamehetma" is a colloquial term used by Lebanese Sh'ia that roughly translates to "our group;" some of the defendants, including HARB, used the term in conversations with the CW to refer to Hizballah.

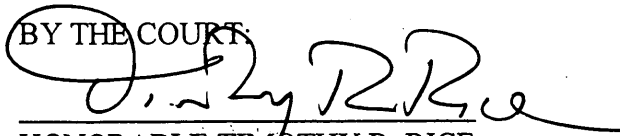
Conclusions

40. Based on the facts set forth above, I submit that there is probable cause to believe that the following defendants have committed violations of the statutes set forth below, and I request that arrest warrants be issued charging that:

- a) from in or about June 2009 through and including in or about November 2009, HASSAN HODROJ and DIB HANI HARB conspired to provide material support to a designated foreign terrorist organization, Hizballah, in violation of Title 18, United States Code, Section 2339B;
- b) from in or about July 2008 through and including in or about November 2009, DIB HANI HARB, HASAN ANTAR KARAKI, and MOUSSA ALI HAMDAN conspired to provide material support to a designated foreign terrorist organization, Hizballah, in violation of Title 18, United States Code, Section 2339B;
- c) from in or about January 2008 through and including in or about November 2009, MOUSSA ALI HAMDAN, HAMZE EL-NAJJAR, a/k/a "Hamze Al-Najjar," MOUSTAFA HABIB KASSEM, and LATIF KAMEL HAZIME, a/k/a "Adanan," conspired to transport stolen goods, in violation of Title 18, United States Code, Section 371; and
- d) from in or about January 2008 through and including in or about November 2009, MOUSSA ALI HAMDAN, HAMZE EL-NAJJAR, a/k/a "Hamze Al-Najjar," MOUSTAFA HABIB KASSEM, ALAA ALLI AHMED MOHAMED, a/k/a "Alaa Ahmed Mohamed Abouelnagaa," MAODO KANE, and MICHAEL KATZ conspired to traffic in counterfeit goods, in violation of Title 18, United States Code, Section 371.


SAMUEL SMEMO, JR.
Supervisory Special Agent
Federal Bureau of Investigation

Sworn to and subscribed before me,
this 20 day of November, 2009.

BY THE COURT

HONORABLE TIMOTHY R. RICE
United States Magistrate Judge