

**Department of Justice**  
U.S. Attorney's Office  
Western District of Missouri

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## **IARA Pleads Guilty to Transferring Nearly \$1.4 Million to Iraq in Violation of Sanctions**

JEFFERSON CITY, Mo. B Tammy Dickinson, United States Attorney for the Western District of Missouri, announced that the Islamic American Relief Agency (IARA), formerly headquartered in Columbia, Mo., pleaded guilty in federal court today to transferring nearly \$1.4 million to Iraq in violation of federal sanctions.

IARA, through a representative of the board of directors, pleaded guilty before U.S. District Judge Nanette K. Laughrey to one count of conspiracy to violate the International Emergency Economic Powers Act, one count of conspiracy to commit money laundering and one count of obstructing the administration of internal revenue laws, which were contained in an Oct. 21, 2008, federal indictment.

IARA served as the U.S. office of the Islamic Relief Agency (ISRA), an international organization headquartered in Khartoum, Sudan. IARA took in between \$1 million and \$3 million in contributions annually from 1991 to 2003. It also received funds from the United States Agency for International Development (USAID). IARA employed approximately six full-time employees and 10-12 part-time employees.

IARA was closed in October 2004 after being identified by the U.S. Treasury Department as a specially designated global terrorist organization. IARA was reconstituted in order to resolve this criminal matter. When this case is resolved, IARA will dissolve itself as a corporation for all time. IARA and its board of directors agree that it will not form a new corporation to conduct the activities that IARA formerly conducted.

By pleading guilty today, IARA admitted that it secretly funneled \$1,375,000 to Iraq in violation of United States economic sanctions. President George H.W. Bush declared a national emergency with respect to Iraq in August 1990, which resulted in sanctions against sending or transferring money, funds or goods directly or indirectly to any person in Iraq or to the government of Iraq. In violation of the Iraqi sanctions, IARA collected funds that were illegally transferred to Iraq with the assistance of a Jordanian national. According to today's plea agreement, this individual either took the cash into Iraq or purchased items in Jordan and transported them into Iraq.

IARA corruptly endeavored to impair and impede the due administration of the Internal Revenue laws by using its tax-exempt status to solicit funds, representing that they were legitimate charitable contributions, and to misuse part of those funds by transferring those funds to Iraq, a purpose prohibited by law. During the entire period in which the Iraq sanctions were in effect, IARA solicited donations through various means, including pamphlets, flyers, newsletters and personal correspondence, requesting contributions to pay for projects in Iraq. IARA did not disclose the fact that the organization had provided funds for projects and persons in Iraq in its annual filings with the Internal Revenue Service.

Several officials and employees of IARA have previously pleaded guilty and been sentenced.

IARA Executive Director Mubarak Hamed, a naturalized U.S. citizen originally from Sudan, was sentenced to four years and 10 months in federal prison without parole. Hamed pleaded guilty to conspiring to illegally transfer more than \$1 million to Iraq in violation of federal sanctions. Hamed also pleaded guilty to obstructing the administration of the laws governing tax-exempt charities by misusing IARA's tax-exempt status, providing false information to the IRS, and lying to federal agents.

IARA fundraiser Abdel Azim El-Siddig was sentenced to two years of probation. El-Siddig pleaded guilty to conspiring to lobby for IARA=s removal from a Senate Finance Committee list of charities suspected of having terrorist ties, while concealing this advocacy and not registering with the proper authorities.

IARA board member Ali Mohamed Bagegni, a native of Libya who is a naturalized U.S. citizen, and IARA fundraiser Ahmad Mustafa, a citizen of Iraq and a lawful permanent resident alien, were each sentenced to six months of probation. Federal prosecutors asked the court to give Bagegni and Mustafa credit for their substantial assistance to the government in the investigation and prosecution of the case. Bagegni pleaded guilty to his role in the conspiracy to illegally transfer funds to Iraq in violation of federal sanctions. Mustafa was a fundraiser for IARA from 1996 until it was closed in 2004, but at the time he worked for the organization he was unaware it had no permission to send funds to Iraq. Mustafa pleaded guilty to illegally transferring funds to a family member in Iraq in violation of federal sanctions.

Hamed and El-Siddig hired Mark Deli Siljander in 2004 to lobby for IARA=s removal from a U.S. Senate Finance Committee list of charities suspected of funding international terrorism, and its reinstatement as an approved government contractor. IARA lost its status as an approved government contractor in 1999, when the U.S. Agency for International Development (USAID) terminated grants for two relief projects in Mali, Africa.

Siljander, who operated a Washington, D.C. consulting business called Global Strategies, Inc., had been a member of the U.S. House of Representatives from Michigan and was a U.S. Ambassador to the United Nations General Assembly. Earlier in 2004, Siljander had assisted IARA in hiring another former congressman and lobbyist (identified as “R.P.H.”), who was paid \$15,000 to advocate for IARA’s removal from the list and reinstatement as an approved government contractor.

Siljander, Hamed and El-Siddig agreed with each other to conceal Siljander=s efforts on IARA=s behalf. In order to do so, Siljander instructed Hamed and El-Siddig to transfer \$75,000 of IARA=s funds to him by funneling them through nonprofit entities. El-Siddig carried at least three checks issued to Siljander=s charities from Chicago to Washington, D.C., and gave them to Siljander.

In exchange for the payments, during the summer of 2004, Siljander acted as an agent for IARA by contacting persons at the U.S. Senate Finance Committee, USAID, the Department of Justice, and the Department of the Army, in an effort to have IARA removed from the USAID list of debarred entities, and to remove IARA from the Senate Finance Committee=s list of charities suspected of funding terrorism. Federal law requires anyone who serves as an agent of a foreign entity, including an organization, to register with the U.S. Attorney General.

Siljander admitted that in two separate interviews he repeatedly lied to FBI agents and prosecutors acting on behalf of a federal grand jury. Siljander obstructed justice by falsely denying that he was hired to advocate for IARA, and by falsely claiming that the payments from IARA were charitable donations intended to assist him in writing a book about bridging the gap between Islam and Christianity.

Siljander was sentenced to one year and one day in federal prison without parole after pleading guilty to obstruction of justice and acting as an unregistered foreign agent.

Under the terms of today’s plea agreement, the government will recommend that no fines be assessed as the organization will voluntarily be terminated and divest itself of all its funds and property. The plea agreement acknowledges that, due to its designation as a specially designated global terrorist and the subsequent blocking of all its property, IARA has no funds readily available to it to pay any fine.

This case is being prosecuted by Assistant U.S. Attorneys Anthony P. Gonzalez, Steven M. Mohlhenrich, and Brian Casey from the U.S. Attorney=s Office for the Western District of Missouri, and Trial Attorney Paul G. Casey from the National Security Division of the U.S. Department of Justice. The case was investigated by the FBI, IRS-Criminal Investigation and U.S. Agency for International Development, Office of the Inspector General.