

**IARA Sentenced for Transferring Nearly \$1.4 Million to Iraq in Violation of Sanctions
IARA Employee Provided Satellite Phone Used in 1998 Terrorist Bombings of U.S. Embassies;
\$818,000 in Assets Transferred to Heifer International**

U.S. Attorney's Office, Western District of Missouri

Thursday, April 6, 2017

<https://www.justice.gov/usao-wdmo/pr/iara-sentenced-transferring-nearly-14-million-iraq-violation-sanctions>

JEFFERSON CITY, Mo. – Tom Larson, Acting United States Attorney for the Western District of Missouri, announced that the Islamic American Relief Agency (IARA), formerly headquartered in Columbia, Mo., was sentenced in federal court today for transferring nearly \$1.4 million to Iraq in violation of federal sanctions.

IARA has been dissolved, and has divested itself of all its funds and property. IARA's assets, which consisted of 14 bank accounts and an interest in a piece of real estate in Boone County, Mo., were transferred to Heifer International, Inc., an unrelated charity. A total of \$818,894 was given to Heifer International to further the goal of providing relief to farmers and drought victims in east Africa. The real estate has not yet been sold. Articles of Dissolution were filed with the Missouri Secretary of State on April 5, 2017, terminating IARA as a registered corporation with the state of Missouri.

At today's sentencing hearing, Assistant U.S. Attorney Steven Mohlhenrich summarized the organization's conduct for the court, stating that IARA willfully violated U.S. economic sanctions on Iraq, a very important national security matter, and further misused its status as a charity to solicit donations that donors thought were going toward lawful charitable projects, but were not. Further, IARA knowingly engaged in prohibited transactions with a deputy to specially designated global terrorist Gulbuddin Hekmatyar, in Pakistan. Then, when Congress placed IARA on a list of organizations that supported terrorism, the organization hired a former member of Congress, co-defendant Mark Siljander, to act as an unregistered agent for a foreign entity, and at Siljander's direction concealed the payments to him by routing them through non-profit entities.

However, Mohlhenrich emphasized, the reason the case was important, and the reason IARA was ultimately designated by the Office of Foreign Assets Control as a specially designated global terrorist, should not be forgotten. IARA was a member of a larger organization headquartered in Sudan that was itself an al-Qaeda supporter. The IARA connection to al-Qaeda dated back to well before Sept. 11, 2001; it arose while Osama Bin Laden was a guest of the government of Sudan. During that same period, Ziyad Khaleel, who lived in Columbia and was a fundraiser for IARA, purchased a satellite telephone and deliver it to al-Qaeda operatives while he was on travel paid for by IARA in February 1997. That satellite phone was used by al-Qaeda to direct operations and to orchestrate the Aug. 7, 1998, simultaneous bombings of U.S. embassies in Kenya and Tanzania, which killed more than 200 people.

On July 20, 2016, IARA (through a representative of the board of directors) pleaded guilty 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. Now that this case is resolved, IARA has dissolved itself as a corporation for all time. Under the terms of the plea agreement, IARA and its board of directors agreed they will not form a new corporation to conduct the activities that IARA formerly conducted.

IARA 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.

This case was prosecuted by Assistant U.S. Attorneys 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.

USAO - Missouri, Western
Topic: Counterterrorism
Updated April 6, 2017