

Department of Justice Press Release

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Western District of Missouri
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Al Qaeda Supporter Pleads Guilty to Supporting Terrorist Organization **Kansas City Man Also Admits to Bank Fraud, Overseas Money Laundering**

<http://kansascity.fbi.gov/dojpressrel/pressrel10/kc051910.htm>

KANSAS CITY, MO—Beth Phillips, United States Attorney for the Western District of Missouri, announced today that a Kansas City, Mo., man pleaded guilty in federal court today to his role in a conspiracy to provide material support to the terrorist organization al Qaeda. He also pleaded guilty to bank fraud and money laundering.

“National security is the highest priority of the Department of Justice,” Phillips said. “I applaud the diligent work of our law enforcement partners from local, state and federal agencies that serve on the Heart of America Joint Terrorism Task Force. These agencies have made significant investments of manpower and resources to the task force, and I appreciate their commitment to defeating terrorism. Much of their work is done behind the scenes, investigating and gathering information, but they play a crucial role in preventing terrorist activities.”

Khalid Ouazzani, 32, of Kansas City, waived his right to a grand jury and pleaded guilty before U.S. District Judge Howard F. Sachs to a federal information that charges him with conspiracy to provide material support to a terrorist organization. Ouazzani also pleaded guilty to charges contained in an indictment that was returned under seal by a federal grand jury in Kansas City on Feb. 3, 2010.

Ouazzani, a native of Morocco and a naturalized citizen of the United States, swore an oath of allegiance to al Qaeda in June 2008. Ouazzani admitted that, from August 2007 to February 2010, he participated in a conspiracy to provide material support or resources to al Qaeda.

Ouazzani also admitted that he personally provided more than \$23,000 to al Qaeda and performed other tasks at the request of and for the benefit of al Qaeda. Ouazzani had conversations with others about various ways to support al Qaeda, including plans for them to fight in Afghanistan, Iraq, or Somalia.

“Citizens here in the heartland should be alert to suspicious activity and never hesitate to report their concerns to law enforcement. This case serves as a reminder that terrorist-related activities can occur anywhere,” said Special Agent in Charge Brian A. Truchon of the Federal Bureau of Investigation’s Kansas City field office.

Ouazzani agreed to contribute \$6,500 to al Qaeda in August 2007. A co-conspirator, who is not identified in court documents, made that payment on Ouazzani’s behalf. Ouazzani repaid the co-conspirator in November 2007 through a wire transfer to the co-conspirator’s bank account in the United Arab Emirates. Those funds came from Ouazzani’s sale of his business, Hafssa LLC, doing business as Truman Used Auto Parts, a retail operation that bought and sold used auto parts and used motor vehicles.

In June or July 2008, Ouazzani also agreed to pay al Qaeda \$17,000, which represented his profit from the sale of an apartment in the United Arab Emirates that was owned by Ouazzani and a co-conspirator (who is not identified in court documents).

Bank Fraud Scheme

Ouazzani obtained a \$175,000 line of credit commercial loan from Union Bank in April 2007 for Hafssa LLC (Truman Used Auto Parts). Under the terms of the loan, the funds were to be used as working capital for his business. Ouazzani admitted that he submitted false financial information about himself and the company to obtain the loan, and used substantial amounts of the loan proceeds for various personal purposes.

Ouazzani made only approximately \$13,000 in payments on this loan. In September 2008 Union Bank wrote off the loan (then in the amount of \$174,028) as uncollectible. On Feb. 11, 2009, Union Bank obtained a civil default judgment against Ouazzani and Hafssa LLC in the amount of \$177,001.

Money Laundering

Ouazzani admitted that he used part of the proceeds of the Union Bank loan to purchase an apartment in the United Arab Emirates with a co-conspirator.

On May 23, 2007, Ouazzani caused a wire transfer of \$112,830 to be sent to a bank account in the United Arab Emirates. The funds for this wire transfer included funds obtained from the \$175,000 Union Bank loan and involved a series of transactions designed to make it more difficult to trace the funds.

Ouazzani used the wire-transferred funds to purchase an apartment in the United Arab Emirates, which he later sold for a profit of approximately \$17,000. Ouazzani requested a co-conspirator to pay this \$17,000 to al Qaeda.

"The criminal justice system is a valuable tool for disrupting terrorist plots and bringing terrorists to justice," Phillips said. "We must use every means—criminal prosecutions as well as intelligence and military operations—to protect the American people. Federal prosecutions not only result in long prison sentences, but yield valuable intelligence that can be used in the fight against al Qaeda and other terrorist organizations."

Under federal statutes, Ouazzani is subject to a sentence of up to 65 years in federal prison without parole, plus a fine up to \$1 million and an order of restitution. A sentencing hearing will be scheduled after the completion of a presentence investigation by the United States Probation Office.

This case is being prosecuted by Assistant U.S. Attorneys J. Daniel Stewart, David M. Ketchmark and Brian P. Casey and Special Assistant U.S. Attorney Alex Menzel of the U.S. Attorney's Office for the Western District of Missouri, with assistance from attorneys at the Justice Department's National Security Division, including the Counterterrorism Section. It was investigated by the Heart of America Joint Terrorism Task Force, led by the Federal Bureau of Investigation, with the assistance of the Missouri Department of Social Services - Division of Legal Services Investigation Section.

Heart of America Joint Terrorism Task Force
Federal Bureau of Investigation
Bureau of Alcohol, Tobacco, and Firearms
Defense Criminal Investigative Service
Federal Air Marshals Service
IRS-Criminal Investigation
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