

Public
12/3/01

BY LIAISON

Date: November 5, 2001

To: Mr. R. Richard Newcomb, Director
Office of Foreign Assets Control
Department of Treasury

From: Mr. Dale L. Watson *DWL*
Assistant Director
Counterterrorism Division

Subject: HOLY LAND FOUNDATION FOR RELIEF AND DEVELOPMENT
INTERNATIONAL EMERGENCY ECONOMIC POWERS ACT

ACTION MEMORANDUM

I. INTRODUCTION

Pursuant to the provisions of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. §1701 et seq., the President of the United States may invoke the provisions of the Act to deal with any "unusual and extraordinary threat, which has its source in whole or substantial part outside the United States, to the national security, foreign policy, or economy of the United States, if the President declares a national emergency with respect to such threat." [IEEPA Sec. 202(a)]. Accordingly, on January 23, 1995, the President issued Executive Order (E.O.) 12947 declaring a national

Subject: HOLY LAND FOUNDATION FOR RELIEF AND DEVELOPMENT
INTERNATIONAL EMERGENCY ECONOMIC POWERS ACT

ACTION MEMORANDUM

I. INTRODUCTION

Pursuant to the provisions of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. §1701 et seq., the President of the United States may invoke the provisions of the Act to deal with any "unusual and extraordinary threat, which has its source in whole or substantial part outside the United States, to the national security, foreign policy, or economy of the United States, if the President declares a national emergency with respect to such threat." [IEEPA Sec. 202(a)]. Accordingly, on January 23, 1995, the President issued Executive Order (E.O.) 12947 declaring a national

emergency regarding the "grave acts of violence committed by foreign terrorists that disrupt the Middle East peace process constitute an unusual and extraordinary threat to the national security." (Exhibit 1).

On January 25, 1995, the Department of the Treasury, ("Treasury"), Office of Foreign Assets Control (OFAC) issued a list of persons and groups designated by the President as "Specially Designated Terrorists" (SDTs) threatening the Middle East peace process (MEPP) or found to be owned or controlled by, or to be acting for or on behalf of, these terrorist organizations. The Islamic Resistance Movement, also known as (a.k.a.) HAMAS, was designated a SDT, in that it is considered a foreign terrorist organization which threatens to disrupt the MEPP. (Exhibit 1). Pursuant to provisions of E.O. 12947, the President has delegated to the Secretary of the Treasury, authority vested in him by the IEEPA, including the authority to accept additional SDTs.

In E.O. 12947, the President specifically determined that the making of donations of the type specified in section 203(b)(2)(A) of IEEPA¹ by United States persons to persons and/or organizations designated pursuant to the E.O. would seriously impair his ability to deal with the national emergency declared by that order and specifically prohibited such donations. The President transmits, annually, notices of the continuation of this national emergency to the Congress and the Federal Register.

On January 19, 2001, in accordance with section 202(d)2 of the National Emergencies Act (50 U.S.C. § 1622(d)), the President determined that, because terrorist activities continue to threaten the MEPP vital interests of the United States in the Middle East, the national emergency declared on January 23, 1995 (E.O. 12947), and the measures made effective on January 24, 1995, to deal with that emergency must continue in effect.

¹Section 203(b)(2)(A) of IEEPA (50 U.S.C. 1702(b)(2)(A)) references "donations. . . of articles, such as food, clothing, and medicine, intended to be used to relieve human suffering. . ." By finding such donations would seriously impair his ability to deal with the national emergency declared, the President, through E.O. 12947, prohibited donations of this nature to HAMAS.

In furtherance of this authority, E.O. 12947 directs all federal agencies, including the Federal Bureau of Investigation (FBI), to take all appropriate measures within their authority to carry out the provisions of the Order. [E.O. 12947, Section 4(a)]. Further, any investigation emanating from a possible violation of the Order shall be coordinated with the FBI. [E.O. 12947, Section 4(b)].

Accordingly, the FBI is providing the following information to Treasury regarding the Holy Land Foundation for Relief and Development (HLFRD), located at 525 International Parkway, Suite 509, Richardson, Texas. The FBI has obtained information which indicates that the HLFRD acts for or on behalf of HAMAS. In compliance with its obligations under the Order, the FBI submits this memorandum for OFAC's consideration in ordering the SDT designation of the HLFRD.

II. HAMAS IS A TERRORIST ORGANIZATION

HAMAS is one of the SDTs listed in the Annex to E.O. 12947 as a foreign terrorist group engaged in grave acts of violence that disrupt the MEPP and constitute an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. (Exhibit 1).

HAMAS is a terrorist organization that espouses an extremist Islamic fundamentalist ideology. HAMAS was founded in 1988 in the Gaza Strip and is dedicated to the establishment of an Islamic Palestinian State that encompasses Israel, the West Bank and Gaza. HAMAS is a militant Palestinian offshoot of the Muslim Brotherhood which was founded in 1928 to replace secular rulers with an Islamic society.

In late 1987, activist members of the Muslim Brotherhood opted to play a more direct role in the popular uprising, known as the Intifada, than the Muslim Brotherhood leadership would allow. As a result, Sheikh Ahmad Yassin, then head of the Muslim Brotherhood in the Gaza Strip, formed HAMAS. In May 1989, Yassin was arrested and in October 1991, he was tried and sentenced to life imprisonment by an Israeli court for HAMAS terrorist activities. (Exhibit 2).

A recent interview with a senior HAMAS spokesman identifies the influence the political wing of HAMAS has over the military wing. In a July 31, 2001, Reuters article, Abdel-Aziz al-Rantissi, a senior HAMAS official and spokesman stated, "The (HAMAS) political leadership has freed the hand of the brigades to do whatever they want against the brothers of monkeys and pigs." The term "brigades" refers to the group's military wing, Izz el-Din al-Qassam brigades. Rantissi further stated, "I urge all the brigades to chase and target the Israeli political leaders and members of parliament, the killer (Prime Minister Ariel) Sharon and the criminal (Foreign Minister) Shimon Peres." This was believed to be the first public call by HAMAS to target Israeli leaders. According to the article, "Hamass's political wing determines overall policy for the movement" (Exhibit 4).

Even after the September 11, 2001 terrorist attacks against the World Trade Center and Pentagon, HAMAS' public statements urge support for continued violence against Israel and the United States. In a September 2001 public statement published by Reuters, Rantissi echoed calls by Taliban clerics in Afghanistan, urging "Muslims on Friday to unite against any U.S. retaliation for the terror attacks in New York and Washington." He went on to say, "It is impossible for Muslims to stand handcuffed and blindfolded while other Muslims, their brothers, are being attacked. The Muslim world should stand up against the American threats which are fed by the Jews," (Exhibit 5).

Through its acts of violence, HAMAS has established itself as one of the primary Palestinian terrorist organizations continuing the "armed struggle" against Israel. These terrorist attacks target not only military targets, but civilian ones as well. HAMAS terrorist attacks have resulted in scores of deaths and hundreds of injuries in Israel, including the killing of several U.S. citizens.

From October 1, 2000 to September 10, 2001, HAMAS has claimed responsibility for at least 20 bombings; two shootings; one kidnaping; and one mortar attack. Another six bombings have been averted through the failure or discovery of explosive devises. At least 77 persons, including three American citizens, have been killed in these attacks and at

In October 1997, following a failed Israeli attempt to assassinate Khalid Mishal, another HAMAS leader in Amman, Jordan, Yassin was released to the Jordanians and subsequently returned to Gaza. On October 29, 1998, Yassin was placed under house arrest by the Palestinian Authority (PA) following an unsuccessful HAMAS suicide attack to blow up a bus full of school children in Kfar Darom, which resulted in the death of an Israeli soldier. Yassin was released from house arrest two months later, in December 1998. (Exhibit 2).

HAMAS is primarily based in the West Bank and Gaza. When HAMAS was declared an illegal organization by the Government of Israel (GOI) in 1989, HAMAS leaders moved its support structures outside Israel.

HAMAS has publicly rejected Yasir Arafat and the PA as the representatives of the Palestinian people. HAMAS also announced that it opposes the Palestine National Council's 1988 decision to establish an independent Palestinian state in the West Bank. Since the group's inception, HAMAS has forged significant inroads into acceptance by mainstream Palestinians.

The ideology of HAMAS is codified in the HAMAS covenant. (Exhibit 3). This covenant establishes HAMAS' primary goal as the creation of an Islamic State in all of Palestine through "Jihad" (Holy War). HAMAS' covenant emphasizes Jihad as the immediate and sole solution to Palestinian problems and regards participation in the armed struggle as the duty of every Muslim. HAMAS rejects absolutely any political solution entailing the concession of any part of historic "Palestine."

The primary tenets of HAMAS philosophy are opposition to compromise with Israel over creation of a Palestinian State and replacement of the PA as the sole representative of the Palestinian people. To these ends, HAMAS pursues a combined program of violence and terror on one hand, and educational, charitable, and social functions on the other. The principal purpose of its armed attacks is to intimidate and coerce the GOI and its civilian population. Its benevolent programs are used to enhance its image and earn goodwill in the Palestinian community.

least 547 injured, including four American citizens. The use of suicide bombers has become a HAMAS trademark. A few examples of those bombings are described below:

On August 9, 2001, HAMAS claimed responsibility for a suicide bombing in Jerusalem, that killed 15 civilians and injured more than 130 others. The attack occurred at one of Jerusalem's most prominent street corners. Two American citizens, including a 31 year old pregnant elementary school teacher died and four other American citizens, including a three year old boy were wounded when a Palestinian walked into a Sbarro pizzeria at the height of the lunch hour and detonated an explosive device filled with nails. At the funeral for five members of a family from the West Bank settlement of Talmon, an 11 year old, on a hospital bed with plastic breathing tubes in her nose, was wheeled into the cemetery, where her father, mother and three siblings, ages two, four, and 14 were to be buried. (Exhibit 6).

On June 1, 2001, HAMAS claimed responsibility for a suicide bombing in Tel Aviv, Israel, that killed 21 Israeli youths and injured nearly 100, as they stood outside a popular disco. Most of the youths killed or injured were girls, between the ages of 14 and 18, celebrating their high school graduation. According to eyewitnesses, two HAMAS operatives drove the suicide bomber to the disco, a popular club often packed with Russian immigrant teenagers. They said the bomber slipped unnoticed into line and positioned himself among several girls, including a 14-year-old who had survived a previous bombing in Netanya. Then, while flirting with one of the girls, he triggered the explosives. The blast was so intense that it tore limbs from the victims' bodies, scattered their flesh up to six blocks away and vaporized the bomber and the girl next to him. (Exhibit 7).

On May 25, 2001, HAMAS took credit for carrying out a truck bombing to mark the anniversary of Israel's withdrawal from Lebanon. According to a May 25, 2001, Associated Press article, Islamic militants said they were trying to undermine Israel's morale with the bombings. The article stated that there have been more than a dozen explosions in the past eight months of Israeli-Palestinian fighting. On that date, Sheikh

Yassin, the spiritual leader of HAMAS, was quoted as saying, "We want to plant terror in the heads of the enemies." (Exhibit 8).

On February 25, 1996, HAMAS conducted suicide bombings in both Jerusalem and Ashkelon, claiming the lives of 26 people and wounding at least 79 others. Those blasts occurred at two of the country's busiest intersections at the height of rush hour. The Jerusalem blast occurred at 6:48 a.m. on a local bus that was stopped at a red light just a block away from the central bus station. The suicide bomber killed 24 people and wounded 50 others. Two Americans, Matthew Eisenfeld, 25, and his girlfriend, Sarah Duker, 23, were among the dead. The second attack took place 50 minutes later at a hitchhiking stop for soldiers, near Ashkelon. That suicide bomber killed two people and wounded 29. HAMAS took credit for both attacks. (Exhibit 9).

III. HISTORY AND ORGANIZATIONAL STRUCTURE OF HLFRD

Background: The HLFRD was established in 1989 as a non-profit, non-political, charitable, and tax-exempt organization which solicits donations to help Palestinian people in the West Bank and Gaza. As noted above, the HLFRD is listed as a tax-exempt charity, not a religious organization.

The HLFRD was originally known as the Occupied Land Fund, and incorporated in California on January 11, 1989, with a mailing address of P.O. Box 1448, Los Angeles, California 90053. The Occupied Land Fund's physical address at the time was located at 5855 Green Valley Circle, Suite 207, Culver City, California 90230. On July 27, 1992, the Occupied Land Fund relocated to Texas, and had a forwarding address of P.O. Box 832390, Richardson, Texas 75083.

The Occupied Land Fund was registered with the Texas Secretary of State on November 18, 1992, under the name, "HOLY LAND FOUNDATION FOR RELIEF AND DEVELOPMENT." (Exhibit 10). The HLFRD is listed as a non-profit corporation with a registered office of 850 N. Dorothy Drive, Suite 516, Richardson, Texas. In August 1994, the HLFRD relocated from 1710 Firman Drive, Suite 100, Richardson, Texas 75081 to its current address located at 525 International Parkway, Suite 509, Richardson, Texas 75081.

The Texas Secretary of State records further reveal that the HLFDRD proposed to pursue, in conducting its affairs in Texas, "charitable-relief for refugees and the indigent needy, fund raising furthering the corporation's exempt purposes, and to sponsor charitable activities benefiting (sic) and to make contributions or distributions to other 501(c)(3) organizations or the corresponding section of any future federal tax code." (Exhibit 10).

Organizational structure: The HLFDRD is currently headquartered in Richardson, Texas, with branch offices and representatives scattered throughout the United States, West Bank and Gaza. Key leaders at the HLFDRD include: Shukri Abu Baker, President, Secretary, and Chief Executive Officer (CEO); Haitham Maghawri, Executive Director; Mohammed El Mezain, Director of Endowments; and Ghassan Elashi, Chairman of the Board. (Exhibit 11).

According to public records, the HLFDRD raised 13.0 million in 2000; \$6.3 million in 1999; and \$5.2 million in 1998. (Exhibit 12).

IV. THE HLFDRD ACTS FOR OR ON BEHALF OF HAMAS

As will be described in detail below, the HLFDRD acts for or on behalf of HAMAS based on the following analysis:

1. Intercepted Discussions Of HAMAS Leaders: In 1993 and 1994, the FBI monitored meetings of identified HAMAS leaders and senior representatives from the HLFDRD. During these meetings, discussions were held regarding the need for HAMAS fund-raising in the United States, as well as the primary role of the HLFDRD to serve this function.

2. HAMAS Financing: FBI investigation has determined that in the early 1990s, HAMAS, through Mousa Abu Marzook, provided substantial funds to the HLFDRD.

3. Fund Recipients: FBI investigation has determined that a majority of the funds collected by the HLFDRD are used to support HAMAS activities in the Middle East.

4. HLFDRD Leadership: Key decision-makers within the HLFDRD have been identified as active members of HAMAS.

1. FBI SURVEILLANCE OF HAMAS MEETINGS

1993 Philadelphia meeting: A recently declassified electronic surveillance of Abdelhaleem Hasan Ashqar disclosed that he organized a meeting that took place in Philadelphia, Pennsylvania, on October 1 to October 3, 1993. FBI physical surveillance and subsequent investigation corroborate that this meeting took place. The electronic intercepts disclosed that participants in the meeting included Ashqar, Akram Kharroubi, Mohammad Al-Hanooti, Ismail Elbarasse, Muin Kamel Mohammed Shabib, three officials from the HLFrd: Shukri Abu Baker, Ghassan Elashi and Haitham Maghawri; and representatives from the Islamic Association for Palestine (IAP).²

The FBI deems this meeting significant since it represented a meeting in the United States among senior leaders of HAMAS, the HLFrd and the IAP. A brief review of key attendees include:

1. **Abdelhaleem Hasan Ashqar:** In November 1992, the GOI advised that Ashqar was a U.S.-based HAMAS activist who was involved in transferring funds from the United States to HAMAS in the West Bank and Gaza. (Exhibit 15).

Interviews conducted by the Israeli Police (IP) of self-admitted HAMAS member Sufian Abu Samara provided evidence of Ashqar's membership in HAMAS. In Samara's January 7, 1991 and January 14, 1991 interviews, he stated that he was recruited and appointed the head of HAMAS in the Southern Gaza Strip by Mousa Abu Marzook in 1989 and also headed the HAMAS Security Apparatus in 1990. Samara described several instances where Ashqar transferred hundreds of thousands of dollars on behalf of HAMAS, at Samara's direction. (Exhibit 16).

² Review of American Express records determined that the above-mentioned individuals traveled to Philadelphia on October 1-3, 1993, and stayed at the Courtyard by Marriott Hotel, 8900 Bartram Avenue, Philadelphia, Pennsylvania. (Exhibit 13). Among the individuals physically observed by the FBI to be at the Courtyard by Marriott on October 1-3, 1993, were: Ashqar, Maghawri, Shabib, Elbarasse, Baker, and Elashi. (Exhibit 14).

During the February 21, 1993, IP interview of self-admitted HAMAS member Mahmud Rumahi, he stated that he was recruited to HAMAS in December 1990, by his brother-in-law, Mahmud Qazim. Qazim gave Ashqar's phone and fax numbers to Rumahi, so that he would be able to get money and pamphlets. In April 1991, Ashqar sent a representative from the United States to Israel to obtain detailed reports on HAMAS activities in Rumahi's region. (Exhibit 17).

Additionally, Rumahi stated that in July 1991, he traveled to the United States to meet with Ashqar, who arranged for him to fly to Tennessee and meet with Abu Omar Mussa (a.k.a. Mousa Marzook), one of the HAMAS leaders in America. Rumahi gave a full report to Mussa on his group's HAMAS activities. After Rumahi returned, he gave Ashqar a detailed report of that conversation. (Exhibit 17).

2. Akram Kharroubi: During the early 1990s, Akram Kharroubi (a.k.a. Haroubi, Harroubi) was head of the Washington, D.C. Muslim Arab Students Association. He was in contact with HAMAS leaders, including Mousa Abu Marzook. He reportedly distributed HAMAS statements when they were issued.

He returned to the West Bank and Gaza in 1994. In early 1999, the GOI detained him for questioning. During his interview by the IP, he admitted that from 1994 to 1999, he was a money courier between HAMAS members in Jordan and the West Bank.

Kharroubi further stated that in approximately 1997, the HAMAS headquarters in Jordan gave instructions to found a united headquarters of HAMAS in the West Bank, which was to include representatives of all the regions. Due to the objection of all the regional headquarters to the establishment of a united headquarters for the West Bank, it was decided to establish an Inter-Regional Coordinating Committee where Kharroubi served as the Ramallah region representative. (Exhibit 18).

3. Mohammad Al-Hanooti: In April 1992, HLFPRD-1, an FBI source, who has been found to be reliable in the past stated that Al-Hanooti was a big supporter of HAMAS. The source further stated that it was well known in the Palestinian

community in the northern New Jersey area that Al-Hanooti was an active HAMAS supporter, purportedly holding fund-raising activities, as well as supporting visitors to the United States from Israel and Jordan, to speak on behalf of HAMAS.

HLFRD-2, an FBI source, who has been found to be reliable in the past stated in 1993, that Al-Hanooti collected over six million U.S. dollars for support of HAMAS in Israel.

4. Ismail Elbarasse: During questioning by Israeli authorities, SDT Mohammad Salah stated that he was directed by Marzook to receive funds from Elbarasse to be used for funding HAMAS military operations. (Exhibit 20). Salah's financial records document that Elbarasse wire-transferred a total of \$735,000.00 to Salah from December 1992 to January 1993. (Exhibit 21). A review of financial records reflect that in the 1990s, Elbarasse had a joint bank account with Marzook.

5. Muin Kamel Mohammed Shabib: Shabib was interviewed by the FBI on March 16, 1994, at which time Shabib admitted supporting HAMAS financially and politically. (Exhibit 22). During IP interviews of arrested HAMAS operative Salah Arouri, Shabib was identified by Arouri as being involved in the HAMAS terrorist apparatus. (Exhibit 23). The GOI has reported that Shabib is a senior HAMAS activist and was formerly in charge of HAMAS' Central Sector (Ramallah-Jerusalem) in the West Bank. According to the GOI, in 1990, Shabib recruited Salah Arouri, to the ranks of HAMAS, and assigned him with the founding of an infrastructure for the military apparatus in Hebron; recruiting young men, preparing squads and procuring weapons and equipment. (Exhibit 24).

6. Shukri Abu Baker (HLFRD's CEO): In the published edition of the Dallas Observer, dated March 4 - March 10, 1993, Baker admitted to wiring \$60,000.00 a month to the Occupied Territories. Baker stated that he sent Haitham Maghawri, the Social Services Coordinator for the HLFRD, to Lebanon with funds for the 396 expelled Palestinians that the GOI claimed to be HAMAS activists. (Exhibit 25). As discussed below, numerous FBI sources have identified Baker as being a member of HAMAS.

7. Haitham Maghawri (HLFRD's Executive Director): According to the U.S. Immigration and Naturalization Service (INS) records, on November 4, 1990, Maghawri filed a request for asylum in the United States. In his asylum request he stated his reasons for seeking asylum were that he was being persecuted for his religion by the Amal Movement (Shia terrorist group in Lebanon, a rival to Hizballah). During an interview, Maghawri told INS officials the following information about his past: 1) He had been arrested for placing a car bomb, however, the INS interviewer made no further notes regarding this incident; 2) he was arrested in Lebanon in June, 1988, and was held for three weeks, the reasons not recorded; 3) in May, 1987, he was again arrested in Lebanon and held for five days. (Exhibit 26).

Maghawri's asylum request was denied. On December 19, 1991, he married a U. S. citizen, Fadia Tariq Akilah. As a result of his marriage, Maghawri received permanent residency status on September 15, 1992.

Ghassan Elashi (HLFRD's Chairman of the Board): Elashi and his brothers are the founders of InfoCom, Inc., a computer hardware business and Internet service provider located across the street from the HLFRD in Richardson, Texas. Elashi is currently the Vice-President of marketing. In September 2001, OFAC blocked the assets of InfoCom, based upon evidence that InfoCom received \$250,000 from Marzook, during the same time frame as Marzook was providing funds to the HLFRD and others associated with HAMAS (detailed below).

Results of the 1993 Philadelphia Meeting: The electronic surveillance revealed the following:

The overall goal of the meeting was to develop a strategy to defeat the Israeli/Palestinian peace accord, and to continue and improve their fund-raising and political activities in the United States. During the meeting the participants went to great length and spent much effort hiding their association with the Islamic Resistance Movement, a.k.a. HAMAS. Instead, they referred to HAMAS as "SAMAH", which is HAMAS spelled backwards. Most of the time, the participants referred to HAMAS as "The Movement."

The participants decided that for fund-raising purposes, the United States theater was very valuable to them. They stated they could not afford to lose it. In the United States, they could raise funds, propagate their political goals, affect public opinion and influence decision-making of the U.S. Government. In addition, they hoped that sometime in the future they would be viable enough and strong enough to represent an alternative to the Palestinian Liberation Organization.

It was mentioned that the United States provided them with a secure, legal base from which to operate. The democratic environment in the United States allowed them to perform activities that are extremely important to their cause. In discussing financial matters the participants stated a belief that continuation of the Holy War was inevitable.

It was decided that most or almost all of the funds collected in the future should be directed to enhance the Islamic Resistance Movement and to weaken the self-rule government. Holy War efforts should be supported by increasing spending on the injured, the prisoners and their families, and the martyrs and their families. (Exhibit 28).

1994 Oxford, Mississippi Meeting: Declassified electronic surveillance of Ashqar and Muin Shabib disclosed that in early 1994, Ashqar's Al-Aqsa Educational Fund (AAEFI) and the HLFDR were in conflict over fund-raising issues. The electronic surveillance further disclosed that HAMAS Political Bureau head Mousa Abu Marzook designated the HLFDR as the primary fund-raising entity in the United States and ordered the AAEFI to curtail fund-raising operations. Ultimately, Marzook traveled to the United States and chaired a meeting in Dallas, Texas, regarding this issue. (Exhibit 29). Two senior HAMAS activists, Jamal Hamami, one of the founders of HAMAS, and Sheikh Mohammad Siyam (a.k.a. Siam), a self-admitted HAMAS official (Exhibit 30), met with Ashqar in Oxford, Mississippi, on March 13, 1994, to explain Marzook's decision.³

³ On March 13, 1994, the FBI observed Ashqar's travel to Memphis International Airport where he picked-up Sheik Jamal Hamami and Sheik Mohammad Siyam. Ashqar drove Hamami and Siyam to his residence where the three remained until March 14, 1994. (Ex. 31).

It should further be noted that FBI investigation has determined that the HLF RD has used both Hamami and Siyam as guest speakers at HLF RD fund-raising events. American Express records reveal that from September 20, 1990, to November 29, 1991, the HLF RD paid for at least six trips taken by Hamami to the United States. The HLF RD also paid for at least five trips taken by Siyam, a.k.a. M. Siam, M. Seyam, from April 20, 1992 to March 9, 1994. These trips were charged on either the Occupied Land Fund/Baker Corporate American Express Account # 3783-647335-91006 or the HLF RD/Baker Corporate American Express Account # 3783-647335-92004 or 93002. (Exhibit 32).

2. EARLY FUNDING FROM HAMAS:

According to the documents filed on October 4, 1995, in the Southern District of New York by the State of Israel's Ministry of Justice, Marzook was identified as the head of the Political Bureau of HAMAS. The document reads:

The (political) bureau operates as the highest ranking leadership body in the HAMAS organization, setting policies and guidelines respecting HAMAS' activities. In addition to its other functions, this bureau has responsibility for directing and coordinating terrorist acts by HAMAS against soldiers and civilians in Israel and the territories. In his role as head of the political bureau, Marzook financed certain activities of HAMAS, including terrorist activities. In addition, he played an important role in organizing and structuring HAMAS and in supervising the activities of the wing of HAMAS responsible for the terrorist acts and in appointing individuals to important leadership roles in the military wing . . . Even by the time that Marzook became a leader in HAMAS in 1989, he was already clearly aware of the nature of the terror attacks committed by HAMAS. (Exhibit 33).

Investigation corroborates the GOI's statement that Marzook was a significant member of HAMAS. According to the July 25, 1995, FBI interview of Marzook, he described himself only as a "mid-level political activist" within the political arm of HAMAS since 1990. (Exhibit 34). However, as of August 15, 2001, the HAMAS website, www.palestine-

info.com/hamas, identified "HAMAS symbols and leaders." The website stated that Marzook was "Elected as Chairman of Hamas Political Bureau in 1991." (Exhibit 35). Based on Marzook's well-established affiliation with HAMAS, Marzook was subsequently designated by the U.S. Government on August 25, 1995, as a SDT. (Exhibit 36).

FBI investigation has revealed that during March, 1992 and August, 1992, Marzook deposited a \$100,000.00 check from the Central Fidelity Bank Account # 7920439173 and a \$100,000.00 check from a First Virginia Bank Account #68168179 to the HLFRD account at Bank of America, California Account #0941402284. Ismail Elbarrase's name was printed on the check along with Marzook's. The 1993 HLFRD tax form 990 further reflects the receipt of \$210,000.00 from Marzook. (Exhibit 37).

During an FBI interview of Nasser Alkhatib on March 15, 1994, he advised that he worked for Marzook and conducted various bank transactions for Marzook. (Exhibit 38). FBI investigation has determined that on August 31, 1992, Nasser Alkhatib deposited a check for \$22,000.00 into the HLFRD Bank One Account #1070001258. This check was dated August 24, 1992, and written to "Holy Land Foundation" from First Virginia Bank Account # 5065 0599, listing Nasser and Narman Alkhatib, 6166 Leesburg Pike, Falls Church, on the check. (Exhibit 37).

Marzook Simultaneously Funds the HLFRD & HAMAS Terrorist Operations:

As described, in 1992, Marzook, Elbarasse and Alkhatib were providing funds to the HLFRD. During 1992 to January 1993, these same HAMAS activists were also providing funds to Mohamad Salah, designated by U.S. Government as a SDT in February 1995. Salah was arrested January 25, 1993 in Israel for supporting HAMAS terrorist activities. At the time of his arrest, he had \$97,000.00 in cash in his possession, after having admitted to already disbursing approximately \$140,000.00 to individuals identified by the GOI as members of HAMAS. (Exhibit 39).

Records verified that Marzook deposited a total of \$23,410.00 into Salah's U.S. bank account during the time period of May 20, 1990 to November 29, 1992. Records also

verified that Elbarasse deposited a total of \$740,000.00 in Salah's account during the time period of August 8, 1992 to January 25, 1993; and Nasser Alkhatib deposited a total of \$251,000.00 into Salah's account during the time period of August 21, 1992 to January 22, 1993. (Exhibit 21).

Business records further indicate that during the same period that Marzook is funding the HLFDR and Salah, he is providing large sums of money to IAP. March 1990 Texas State business records list IAP as a d.b.a. for American Middle Eastern League for Palestine (AMEL). Ahmad Agha (who has served as the HLFDR's treasurer, Exhibit 11) and Ismael Elbarasse are listed as Directors of AMEL. In addition, financial records reveal that Elbarasse and Marzook opened a bank account in the name of IAP on January 12, 1990, at the Central Fidelity Bank, Arlington, VA. Elbarasse was the signatory on that account. Bank records show deposits of seven checks totaling \$125,000 to this IAP account in 1990 and 1991.

3. RECIPIENTS OF HLFDR FUNDS OVERSEAS

The following interview is provided as evidence of how the HLFDR's "charitable" fund-raising activity furthers the HAMAS terrorist organization's agenda. The interview, published in the London Filastin Al-Muslimah, with Dr. Ibrahim Al-Yazuri, one of the founders of HAMAS, described the HAMAS philosophy concerning charitable giving. He stated:

Everyone knows that the Islamic Resistance Movement, HAMAS, is a Palestinian Jihad movement that strives for the liberation of all Palestine, from the (Mediterranean) sea to the river (Jordan), from the north to the south, from the tyrannical Israeli occupation, and this is the main part of its concern. Social work is carried out in support of this aim, and it is considered to be part of the HAMAS movement's strategy . . . The HAMAS movement is concerned about its individuals and its elements, especially those who engage in the blessed jihad against the hateful Israeli occupation, since they are subjected to detention or martyrdom. The movement takes care of their families and their children and provides them with as much material and moral support as it can. This is one of the fundamental truths of Islamic work and thus

represents the duties of the Islamic state . . . The HAMAS movement provides financial assistance, material aid of food packages in the blessed month of Ramadan, and gifts, clothes, and sacrifice meats for the 'ID AL-ADHA to poor and needy Palestinian families without discrimination. It also provides poor and needy students and sons of martyrs in the first year of study with school bags containing paper and other study essentials and supports orphans in the Gaza Strip. The movement provides this aid through the support and assistance it gives to the zakat (Islamic alms-giving) committees and the Islamic associations and institutions in the Gaza Strip. (Exhibit 40). (Emphasis added)

In a Washington Post article, dated August 11, 2001, Sheikh Yassin described the purpose of HAMAS' charitable giving in the West Bank and Gaza. The article states,

On the streets of Gaza, and to a somewhat lesser extent in the West Bank, Hamas's status has been underpinned by a network of medical clinics, schools and welfare institutions that distribute free and subsidized food to the needy. According to Yassin, the group distributes \$2 million to \$3 million in monthly handouts to the relatives of Palestinian suicide bombers; "martyrs" who have been killed by Israelis; and prisoners in Israeli jails. When pressed, he was vague about the provenance of the money, which, according to the State Department, comes mainly from Palestinians overseas, Iran and private benefactors in Saudi Arabia and other moderate Arab states. (Exhibit 41).

Ronni Shaked, a journalist and former official in the GOI, commented on HAMAS fund-raising in a book he wrote based on his interviews with operatives while they were imprisoned:

The major channel for fund-raising for the HAMAS organization in the United States is the Occupied Land Fund that was established in Los Angeles, California. In 1992, the organization changed its name to the Holy Land Foundation and moved to Richardson, Texas. The President of this organization is Shukri Abu Baker.⁴

⁴ Shaked, Ronni and Aviva Shabi, Hamas: M'Emunah B'Allah L'Derech Ha-Terror (Hamas: From Belief in Allah to the Road of

As will be described below, it has been documented that the HLFRD provided charitable aid to the very individuals and institutions described by HAMAS as its recipients.

As to the individuals receiving support from the HLFRD, evidence strongly suggests that the HLFRD has provided crucial financial support for families of HAMAS suicide bombers, as well as the Palestinians who adhere to the HAMAS movement. It is believed that by providing these annuities to families of HAMAS members, the HLFRD assists HAMAS by providing a constant flow of suicide volunteers and buttresses a terrorist infrastructure heavily reliant on moral support of the Palestinian populace. According to HLFRD-4, an FBI asset who has provided reliable information in the past, in the words of Shukri Abu Baker, HLFRD's mission is to support the families of the martyrs.

FBI investigation has determined the HLFRD transfers funds to HAMAS overseas utilizing at least three methods:

- 1) Direct fund transfers from the HLFRD Richardson, Texas office to the HLFRD offices in the West Bank and Gaza;
- 2) Transfers of funds from the HLFRD Richardson, Texas office to zakat (Islamic charity) committees located in the West Bank and Gaza, controlled by HAMAS;
- 3) Transfers of funds from the HLFRD Richardson, Texas office to other "charitable" organizations in the Middle East, not controlled by HAMAS, but believed to be supporting HAMAS.

FBI analysis has seen what appears to be the more common use of the HLFRD offices in the West Bank and Gaza as a preferred means of distributing funds to zakat committees. While zakat committees formerly received larger sums directly from the HLFRD Richardson, Texas office, since 2000 the FBI has observed a decrease or elimination of funds sent directly to the zakat committees. This coincides with the increase in funds to the HLFRD offices in the West Bank and Gaza, located in the same region as those zakat committees. (Exhibit 43).

Terror), Keter Publishing House, Jerusalem, 1994, p. 171.

The largest HLFRD recipients outside of the West Bank and Gaza are Sanabil Association for Relief and Development in Lebanon and Human Appeal International in Jordan. As will be discussed, these organizations have been linked to HAMAS.

3A. HLFRD OFFICES OVERSEAS

Significant information has been provided through the GOI's search of the HLFRD Jerusalem on May 7, 1995 and the closure of all HLFRD offices in Israel on May 6, 1997.

Search of the HLFRD Office in Jerusalem:

The GOI have provided numerous documents that were seized during the May 7, 1995 search of the HLFRD office in Beit Hanina (an arab village outside of Jerusalem), which was operated by Muhammad Anati. It is the FBI's analysis that the documents seized and statement by the head of that office demonstrate the control the HLFRD headquarters in Richardson, Texas, had over the HLFRD Jerusalem office.

Documents retrieved in the search show that the two HLFRD offices were in frequent contact. Numerous documents seized from the office were facsimiles that bore the HLFRD letterhead and included the "sender's" fax number from the HLFRD office in Richardson, Texas. The following are the main findings:

1. Records reflecting funds transferred from the HLFRD to the Islamic Aid Committee, a.k.a. Islamic Relief Agency (IRA) and lists of people supported by those funds. Those lists bear the HLFRD name and Richardson office telephone number on the top of the pages, indicating the lists of recipients were reviewed in the HLFRD's Richardson office and then faxed from Texas to Jerusalem. Further, according to GOI analysis, the names of people who are not known to be affiliated with HAMAS received relatively low monthly payments.

The lists contained dozens of names of recipients who received more significant sums. Most of those individuals have been identified by the GOI as having ties to HAMAS activists. (Exhibit 45). The GOI has provided over 50 names of individuals listed by the HLFRD as recipients, having HAMAS connections. As an example, a paper with a request for 18 fund transfers for families of HAMAS deportees included as follows:

16 transfers of between \$100.00 and \$200.00 each to families of deportees - without the names of the deportees listed.⁵ (Exhibit 45). The payment was for February 28, 1993. Each of these transfers bears the registration: family of a deportee, with the date (usually January 15 or February 15, 1993), and the sum to be paid. It is also noted that these families did not receive any previous payments;

Two transfers of \$400.00 each for the following:

(a) Ansharah Mahmoud Shukri, Ramallah; date of payment, January 15, 1992; last payment, October 31, 1992; \$400.00.

According to the GOI, Ansharah Ali Shukri is the mother of Ahmed Hussein Mahmoud Shukri, who is in jail for the murder of a Jew at a Tel Aviv building site in September 1989, as well as an attempt to cause a bus (line 405) to go off the road. He was arrested in September 1989 and sentenced to life imprisonment. While in prison, Shukri murdered a warden. (Exhibit 45).

(b) Fawzi Salman Abd Al-A'al, Gaza; date of payment, January 15, 1992; last payment, October 31, 1992; \$400.00.

According to GOI, Fawzi Salman Mahmoud Abd Al-A'al, Gaza, born in 1946, was a former detainee in 1989. He was fired from his job at the civilian administration (he was a male nurse) following his arrest. Al-A'al's sons, Mazzen and Muhammad, are former detainees and HAMAS activists. (Exhibit 45).

The search produced other examples of individuals receiving money from the HLFDR (Exhibit 45), including:

⁵ In December 1992, the GOI deported approximately 400 HAMAS and Palestine Islamic Jihad (PIJ) members to Lebanon. The deportees were not admitted to Lebanon, and were forced to live in makeshift tent cities for several months on the Lebanese border. As previously mentioned, during this time, the HLFDR sent funds to these deportees. (Exhibit 46).

The father of Muhammad Shawan, a wanted member of the Izz-Al-Din Al-Qassem who was killed in a clash with an IDF force in March 1994, and who participated in several attacks, including the murder of two grocers in the Khan Younes area in May 1993;

The widow of Abd Al-Rahman Aruri, a former deportee, and a senior member of Izz Al-Din Al-Qassam, who was killed in a clash with the Israeli Defense Forces (IDF) in December 1993;

The family of Suleyman Idan, killed during a car-bomb attack in Beit-El in October 1993;

The mother of Ashraf Ba'aluji, serving a life sentence for the murder of three Jews in Jaffa, in December 1992;

The wife of Jamil Al-Baz, a HAMAS activist serving a life sentence for running over a soldier at Nitzanim crossing on July 19, 1991;

The wife of Majdi Hamad, a senior Izz Al-Din Qassam activist in Jabaliyah, who killed local residents and is serving a life sentence;

The family of Yasser Hajaj, a HAMAS activist serving a life sentence for placing an explosive charge on a Tel Aviv beach on July 28, 1990, killing a Jewish tourist from Canada;

The brother of Raid Zakarana, a HAMAS terrorist who committed suicide in Afula in April 1994;

2. An agreement between HLFRD Richardson, Texas and HLFRD Jerusalem: This agreement was dated June 3, 1994, and signed by Shukri Abu Baker, as Executive Director of the HLFRD, and Mohamed Anati, Executive Director, HLFRD Jerusalem office. (Exhibit 47). That agreement states that the HLFRD recognized the HLFRD Jerusalem as its sole agency in the West Bank and Israel and authorized it to oversee fund disbursement for programs.

The key points of Anati's 1995 interview (Exhibit 45) are as follows: Anati's office performed the functions of liaison, mediation and supervision on behalf of the fund in the United States and did not conduct money transfers;

The budget of the Jerusalem office was between \$80,000.00 and \$120,000.00 per year. This money was earmarked for regular operation of the office and was directly deposited in the HLFRD's account at the Mercantile Discount Bank in East Jerusalem;

The Jerusalem office's task was to draw up lists of needy from the West Bank and to provide those lists to the HLFRD office in Richardson, TX. After the HLFRD sent monies to the zakat committees, the Jerusalem office was then tasked with confirming that the individuals identified by the HLFRD received the allocations from the zakat committees in the West Bank;

The aid (money) was transferred directly from the United States to the zakat committees' bank accounts abroad.

The HLFRD in the United States had two branches in Israel, one in Beit Hanina, which was operated by Anati, and the second in the Gaza Strip, which was under the direction of Zuhair Baghdadi. Both branches were directly subordinate to the HLFRD's management in the United States;

The annual budget of the fund in the West Bank was assessed at about one million dollars (valid to 1993-1994);

The center of the fund was in the United States where the contributions are collected. The fund was headed by Shukri Abu Baker, who operated from the main office in Texas. There was another office in New Jersey, headed by Muhammad El-Mezain.

Anati's statement and the above described lists seized from the HLFRD Jerusalem office, which designate the recipients of HLFRD funds, clearly indicate that Shukri Abu Baker played a controlling role in deciding who would receive support by the HLFRD. Many of these recipients have been identified by the GOI as being supporters of HAMAS.

1997 HLFRD Closure:

On May 6, 1997, the Israeli Minister of Defense named five Islamic associations as "non-permissible" and on that basis declared that funds reaching individuals and organizations in the West Bank and Gaza through those associations could be confiscated. (Exhibit 49). The HLFRD

was the only U.S. organization listed in this group.⁶ At the time, the HLF RD operated two offices in Israel, one in Gaza and the other in the West Bank town of Beit Hanina. The HLF RD offices in Israel were closed, based on the determination that the HLF RD raised funds that supported the HAMAS terrorist apparatus. On December 10, 1997, the head of the HLF RD's Jerusalem office, Mohammad Anati, was arrested and detained on charges of aiding and abetting a terrorist organization.

During his interview by the GOI (Exhibit 50), Anati stated that he was enlisted by HAMAS in 1990 and participated in writing HAMAS slogans and throwing stones.

In early 1993, he met Shukri Abu Baker, who personally hired him to run the HLF RD Jerusalem office. Anati ran the HLF RD Jerusalem office from early 1993 until its closure. That office was responsible for HLF RD activities throughout the West Bank. Anati stated the following about the HLF RD:

1. On March 17, 1996, the army and police came to the HLF RD office in Jerusalem and on authority of a decree by the Minister of Defense, shut down the office for one year. A year later, Anati re-opened the office, since he had not received an extension of the closure decree. According to Anati, despite the closing down of the office, all the branches received their money regularly, directly to their bank accounts. In 1997, when he re-opened the office, he received the money for the entire year.

2. Anati stated the HLF RD provided aid to the needy, but some of the aid was channeled to HAMAS;

3. Anati enabled every branch to allocate the money freely, and since some of the heads of the branches were connected with or supporters of HAMAS, some of the money served HAMAS.

⁶ The GOI orders stated, that despite its declared goals, the HLF RD "deals in the practice of transferring monies to the families of HAMAS activists, who carried out deadly attacks, or who were jailed in the wake of these attacks" and "benefits from funding sources which are identified, according to security assessments, with the overall financial network of HAMAS."

4. While working for the HLFRD, Anati also secretly promoted HAMAS interests. For example, when he helped build an Islamic clinic in a certain area, everyone around knew that it was the HAMAS organization behind the clinic. When food was distributed during holidays, the population knew that HAMAS was behind this.

5. Approximately six months prior to this interview, Shukri Abu Baker told Anati to establish an advisory committee to the HLFRD, in order to advise which projects to fund. Baker proposed that Anati turn to Dr. Akram Harubi, a.k.a. Kharroubi, as one of the committee members. As previously stated, Kharroubi has admitted to being the Ramallah regional representative on HAMAS' Inter-Regional Coordinating Committee, which coordinated HAMAS activity in the West Bank.

Anati stated he turned to Fuaz Hamad Kamil, a.k.a. Fawaz Hamdan, who studied economics and operated in the Welfare Committee of the Al Razi Hospital in Jenin, for assistance in establishing the HLFRD advisory committee. As discussed later, Hamdan has been imprisoned for his activities in connection with HAMAS, which included aiding fugitives and funding weapons purchases. (The HLFRD has provided support to the Jenin Zakat Committee and Al Razi Hospital.) Hamdan established the committee, which included himself, Anati, Kharroubi and one other.

6. Anati described the HLFRD's headquarters in Richardson, Texas, and Shukri Abu Baker as being in charge.

7. Funds were transferred from the United States to Israel. The HLFRD office in Dallas sent the funds directly to the bank accounts of the different organizations in the West Bank, as well as the bank accounts of the various projects. The money did not pass through his office, except for funds intended for the Jerusalem area, which Anati personally allocated.

8. According to Anati, the HLFRD is connected with HAMAS. When he visited the United States in 1994, he understood that they were pro-HAMAS and engaged in helping the needy. He also stated that he was told by HLFRD members visiting Israel that during parties and conventions held by the HLFRD abroad, it was mentioned that they were pro-HAMAS and they sang HAMAS songs.

According to the 1999 interview of Kharroubi, after Anati was arrested he was contacted by Hoda Abadin, a resident of Jerusalem, known to Kharroubi as being involved with the handling of orphans at the HLFRD Jerusalem office. Abadin began to coordinate all contacts with the charity committees in the West Bank, which provided lists of candidates for support. She then sent these lists to the HLFRD in Richardson, Texas for approval. Later, she received a list of approved candidates and the sum approved for distribution to each recipient. Simultaneously, the HLFRD sent the approved sum to the relevant charity committee.

Abadin told Kharroubi that following Anati's arrest, HLFRD's lawyer, Mudhi Rishak, indicated that the HLFRD was transferring its activity from the office in A-Ram/Qalandiya outside Jerusalem to her home, since the offices could be shut down on decree. The HLFRD's lawyer, Rishak recommended to stop the HLFRD's activities from its offices until Anati's trial was over. (Exhibit 18). It is the FBI's analysis that the continued operation of the HLFRD subsequent to its ban demonstrates its continued efforts to provide support to what had been identified as HAMAS recipients. In addition, this activity demonstrates the HLFRD's control over the allocation of funds from the Richardson, Texas headquarters.

HLFRD HEBRON OFFICE

According to FBI analysis of the HLFRD's Richardson office bank records, the HLFRD Hebron office has only been receiving funds from the HLFRD Richardson since October 1998. Hebron received the following:

1999: \$442,491.00; Jan.-Sept. 2000: \$1,001,492.00

The former head of the HLFRD Hebron office was Kamal al Tamimi. Tamimi has been identified by the GOI as a HAMAS activist. (Exhibit 18). In 1992 he was one of the HAMAS activist deported to Lebanon.

HLFRD GAZA OFFICE

The FBI has little current knowledge as to the leadership of the HLFRD Gaza office. The HLFRD Richardson office sends significantly less money to its Gaza office, as compared to the West Bank. FBI analysis indicates that the HLFRD Gaza received the following:

1997: \$231,434.00; 1998: \$76,697.00; 1999: \$217,495.00;
Jan.-Sept. 2000: \$65,458.00

According to GOI and public source reporting, on September 25, 1997, as a result of HAMAS terrorist attacks, the PA closed what they identified as 16 HAMAS institutions and associations as part of it's efforts to degrade the terrorist infrastructure. The HLFDR's Gaza office was one of those 16 offices that the PA closed. (Exhibits 51, 53). According to the interview of Anati, subsequent to his December 10, 1997, arrest, the HLFDR Gaza office was headed by Muhammad Shawa and was shut down by the PA on the charge that it had ties with HAMAS. (Exhibit 50).

According to HLFDR-4, an FBI source, who has provided reliable information in the past, Shukri Abu Baker, at the September 30, 1997, HLFDR fund-raiser in Buena Park, California, commented on the closing of the HLFDR Gaza office. Baker discussed the HLFDR mission to support the families of the martyrs. He further talked about Yassar Arafat closing a number of charitable organizations' offices in Gaza, including the HLFDR office. Baker stated that Arafat would be sorry that he did this and that the goal of HAMAS to form an Islamic State could not be thwarted. This office has now been re-opened.

The GOI has further reported that Zuhari Barghati was the former Director of the HLFDR Gaza office. The GOI identified Barghati as a HAMAS activist and the nephew of Ismail Barghati, who had a joint account with Marzook while Marzook served as the head of the Political Bureau of HAMAS. (Exhibit 52).

One of the projects this office oversees is the Dar el Salam Hospital discussed below.

3B. ZAKAT COMMITTEES IN THE WEST BANK AND GAZA

[FBI COMMENT: Individual names which appear in bold print in this section have been identified by the GOI as being zakat committee leaders. Individual names appearing under these zakat committee leaders are HAMAS activists who have corroborated the HAMAS leadership role of those individuals who immediately appear in bold.]

FBI analysis has determined that HAMAS uses the zakat committees to provide needed social services for the Palestinian population, thereby gaining support for their movement. (Exhibit 53). These charity committees receive funds from such organizations as the HLF RD and manage social services, such as hospitals and schools, and distribute food and clothing.

An August 13, 2001 USA Today article describes how HAMAS' social infrastructure, in this case HAMAS-run schools, serve HAMAS' ends:

In HAMAS-run kindergartens, signs on the walls read: "The children of the kindergarten are the shaheeds (holy martyrs) of tomorrow." The classroom signs at Al-Najah University in the West Bank and at Gaza's Islamic University say, "Israel has nuclear bombs, we have human bombs." At an Islamic school in Gaza City run by HAMAS, 11-year-old Palestinian student Ahmed states, "I will make my body a bomb that will blast the flesh of Zionists, the sons of pigs and monkeys . . . I will tear their bodies into little pieces and cause them more pain than they will ever know." "Allah Akbar," his classmates shout in response: "God is great." "May the virgins give you pleasure," his teacher yells, referring to one of the rewards awaiting martyrs in paradise. Even the principal smiles and nods his approval. "You don't start educating a shaheed at age 22," says Roni Shaked, a terrorism expert and former officer in Israel's Shin Bet secret service. "You start at kindergarten so by the time he's 22, he's looking for an opportunity to sacrifice his life." (Exhibit 7).

Zakat committees are located in most communities throughout the West Bank. (Exhibit 53). Financial analysis of the HLF RD Richardson, Texas office records reveal that it has provided funds to the zakat committees representing the major communities in the West Bank, including: Hebron, Ramallah, Jenin and Nablus.

It is the FBI's analysis that the zakat committees receiving HLF RD financial support are controlled by HAMAS. GOI analysis has also determined that HAMAS activists have been elected or appointed to senior leadership positions on these zakat committees. GOI analysis, as well as open source reporting, has identified that the civilian population is

aware that the services being provided by the zakat committees, whether it's the distribution of food, medical services or other social services, are being provided by HAMAS. (Exhibit 53-54). The HLFDR's funding of the Islamic Charity Association (ICA) is one example of the role that zakat committees play in the overall goal of building HAMAS grassroots support through charitable projects.

Islamic Charity Association
a.k.a. Islamic Charitable Society in Hebron

A March 2, 2001, Associated Press article (Exhibit 54) described a large unfinished building in Hebron, West Bank, where Palestinian men and teen-age boys worked on a makeshift assembly line, packing food items into boxes. Inspirational music extolling HAMAS played in the background, "The holy war is calling," a singer intoned on a tape. "We will continue the resistance, the HAMAS revolution."

The article went on to explain that the warehouse is run by the Islamic Charity Organization in Hebron, which distributed 50,000 food packages to destitute Palestinian families in the West Bank ahead of the Muslim holiday of Eid al Adha. The article stated that across the Palestinian areas Islamic charities are filling a growing need created by skyrocketing unemployment and poverty. In so doing, they are winning hearts and minds for HAMAS' unyielding doctrines at the expense of the PA. "People realize more than before who is honest and who is not. In the long run, it will pay off in increased political popularity," said Khaled Amayreh, a Palestinian journalist close to the Islamic movement."

The article describes that, along Shuhada Street in Hebron, 56 families have received monthly donations of food from Islamic charities. Anaya Bader of Shuhada Street said that she desperately needed the donations to make ends meet. With 10 children to feed, she said her Islamic brothers have not only her thanks, but also her support. "All we know is they are the ones who bring us food," she said.

Financial analysis of HLFDR bank records (Exhibit 43) indicate that the ICA received the following from the HLFDR:

1997: \$138,302.00; 1998: \$690,297.00; 1999: \$275,313.00;
Jan.-Sept. 2000: no funds.

Additionally, from January 1997 to April 1999, approximately \$52,474.00 was transferred to this zakat committee from the HLF RD Richardson office, exact dates unknown.

It is reasoned that the decrease in funding by the HLF RD is due to the fact that a library building project in Hebron, for which the HLF RD has collected large donations, was completed. The HLF RD Hebron may have taken over the maintenance of the library as well.

According to information from the GOI, the ICA has been identified as a HAMAS entity. (Exhibit 55).

In addition, the GOI reports that the ICA is in charge of such institutions as the Islamic Associations in Dura, Bani Na'im, Yata, and Beit Ola. (Exhibit 56). The GOI identifies the following individuals as leaders of ICA:

Muhammad Ayad Muhammad Missaq, a.k.a. Muhammad Eid Muhammad Missak, ICA director/manager; Administrative detention from April to August 1989⁷ and from December 1992 to April 1993; identified by the GOI as a senior HAMAS activist in Hebron. (Exhibits 56-57).

Abdallah Najar, a HAMAS activist, was interviewed by the GOI in January 1997. Najar stated that when he worked in the Hebron Orphanage, owned by the ICA, Missaq was one of the HAMAS activists with whom he worked. (Exhibit 58).

Ibrahim Abd Al-Fatah Shubaka, a HAMAS activist, was interviewed by the GOI. Shubaka stated that Missaq was a member of the ICA, which maintains two orphanages and financially supports the town's orphans. He stated that the schools instill the pupils with HAMAS values, and their graduates include operational HAMAS activists. (Exhibit 59).

⁷ According to GOI, an administrative detention is based on terrorism-based information obtained by Israeli authorities, and reviewed by the region's military commander or a judge. The detention can last for three to six months and can be extended.

Hashem abd al-Nabi Natshe, Directorate Co-Chairman and Chairman of the Trade Bureau (Chamber of Commerce.) In August 1990, Natshe was arrested by the GOI, but released due to a health condition. The GOI identifies Natshe as a senior HAMAS activist. (Exhibit 56-57).

Abdallah Najar, the HAMAS activist mentioned above, was interviewed in January 1997. Najar stated that he worked in the Hebron Orphanage, which is affiliated with the ICA. One of the HAMAS activists he identified working with was Natshe. (Exhibit 56).

Adnan abd al-Hafez Musbah Maswada, Directorate Co-Chairman. Detained June to July 1989 and April to October 1994 for HAMAS activity. Maswada was a 1992 deportee to Lebanon. According to the GOI, Maswada is a member of HAMAS headquarters in Hebron and is connected to HAMAS terrorist activities against settlers. (Exhibit 57).

When HAMAS founder Sheikh Ahmad Yassin was interviewed by the GOI, he said that in the period of April to May 1989, he received a message from HAMAS activists in Jordan stating that operational HAMAS representatives should be appointed in Gaza, Hebron and Nablus. Yassin asked his aide to forward the message to Maswada in Hebron, so that he could assist and advise them whom to appoint. (Exhibits 60).

Yahya Arshad, a HAMAS activist, was interviewed by the GOI. He stated that in early 1996, HAMAS/Muslim Brotherhood established the Hebron Majles Al-Shura to be responsible for advising and deciding on the political platform of both organizations. Arshad stated he attended both meetings of this forum and Maswada had also attended. (Exhibits 61).

Mun Wazuz, a Hebron HAMAS activist was interviewed by the GOI. He stated that Maswada was a senior HAMAS activist. (Exhibits 62).

Assad Heimuni, a Hebron Democratic Front for Liberation of Palestine (DFLP) activist, was interviewed by the GOI. He stated that he knew Maswada to be a HAMAS activist. (Exhibits 63).

Izzam Naaman abd al-Rahman Salhab, Head of Orphans' Branch. He was a 1992 deportee to Lebanon, returning in December 1993. Salhab was placed under administrative arrest from May to December 1989 and March to June 1990. He was also in prison from December 1990 to December 1991 and October to December 1992. The GOI identified him as a member of the HAMAS leadership in Hebron. (Exhibits 56-57). During an interview in December 1990, Salhab admitted being recruited by HAMAS and being a member of the HAMAS headquarters and in charge of the prison committee. (Exhibit 57, 64).

During the GOI interview of Kutla (student organization of HAMAS) activists Adel Badrin and Fuad Tabish, it was determined that they attended meetings between the Kutla leadership and HAMAS. The last meeting was in April/May 1999. Both Badrin and Tabish separately identified Salhab as being one of the HAMAS representatives present. (Exhibit 65-66).

Akram Kharroubi, a HAMAS activist, was detained and interviewed by the GOI in 1999. Kharroubi stated that Salhab was the Hebron representative to the united headquarters of HAMAS in the West Bank, called the "al Lajna al-Marjiyah," which was to include representatives of all the regional Headquarters. (Exhibit 18). The role of these representatives was to maintain contact with HAMAS activists in his area on various issues including political-organizational activity. HAMAS emissaries came from abroad, and members of the committee were sent abroad, to consult on specific issues. (Exhibits 18, 67).

Hathem Mahmud Hassan Shahada, Secretary. Identified by the GOI as a HAMAS activist. (Exhibit 57).

Taher abd al-Aziz Dandis, ICA member. Dandis was a 1992 deportee to Lebanon and was imprisoned from June to September 1994. GOI reporting states he is a HAMAS leader in Hebron, with strong ties to other HAMAS leaders. (Exhibit 56).

Hebron Library Project: During the 1999 GOI interview of Kharroubi, he stated he was involved in the "founding of a library in Hebron," presumed to be the Al Anwar al Ibrahim Library. His involvement was at the request of Hitham (Haitham Maghawri, HLFRD Executive Director). (Exhibit 18).

According to the 1999 HLF RD Annual Report, the HLF RD undertook the financing of a library, called the Al Anwar Ibrahimi Youth Education Center. (Exhibit 11). That library was under the oversight of the HLF RD Jerusalem.

Charity Committee in Ramallah
a.k.a. Ramallah Zakat Committee

According to the GOI, the Ramallah Zakat Committee is a HAMAS entity and provides relief and assistance to the needy in Ramallah and Jerusalem.

Financial analysis of HLF RD bank records (Exhibit 43) indicate that this zakat committee received the following:

1997: \$89,229.00; 1998: \$72,652.00; 1999: \$58,522.00;
Jan.-Sept. 2000: no funds.

Additionally, from January 1997 to April 1999, approximately \$24,304.00 was transferred to this zakat committee from the HLF RD Richardson office, exact dates unknown.

The following HAMAS activists have been identified by the GOI as being associated with the Ramallah Zakat Committee (Exhibit 56):

Aqel Suliman Muhammad Rabia a.k.a. Aqal Sulayman Muhammad Rabiyyah, Director/Manager; incarcerated from December 1990 to March 1992, due to his involvement in HAMAS. (Exhibit 56).

Ahmad Sati, an identified HAMAS activist, was interviewed by the GOI. He stated that Rabia was Hebron's representative to HAMAS' national propaganda apparatus. He described this apparatus as being guided directly by the regional HAMAS headquarters and indirectly by the national headquarters. (Exhibit 68).

Omar Quasma, a HAMAS activist, was interviewed by the GOI. He stated that in 1990, he received HAMAS written materials from Rabia to distribute in the Hebron Mosques. (Exhibit 69).

Mahammed Anati, an admitted HAMAS activist and former head of the HLF RD Jerusalem office, was interviewed by the GOI. He stated that after the HLF RD was outlawed by

the GOI, Rabia gave him a room at the Ramallah Zakat Committee premises from which he ran HLFRD affairs. (Exhibits 45, 56).

Amar Muhammad Ahmed Hamadan, Committee member and former head of the Committee and Treasurer. He was reportedly involved in transferring HAMAS funds to the families of detainees. (Exhibit 56).

Ibrahim Said Hassan Abu Salem, is an "unofficial member." He was subject to several administrative arrests from December 1992 to September 1993; currently under administrative detention and serving as a HAMAS leader in prison. A religious lecturer, he served as one of the HAMAS leaders in the West Bank, in contact with HAMAS leaders in Israel and abroad. While deported to Lebanon in 1992, he met other HAMAS leaders there and received assignments to be carried out on his return to the West Bank. (Exhibit 56).

Fadel Muhammad Salah Hamadan, Committee member. Hamadan was placed under administrative arrest four times from 1988 to 1992. He was one of the HAMAS members deported to Lebanon in December 1992. He is an Imam and senior HAMAS activist who serves as one of the HAMAS headquarters leaders in Ramallah. He also heads the Majlis al Shura (advisory council) with six members and guides their activities. Reportedly, he is directly connected with the planning of suicide attacks and the spiritual preparation of those about to commit suicide attacks, including the Mahane Yehuda attack in July 1997. (Exhibit 56).

Mahmud Ahmed Abd Al-Rahman Ramhi, Committee member. Ramhi was imprisoned from December 1992 to April 1995 for recruitment to HAMAS and having been in charge of the center area of Ramallah on behalf of HAMAS. (Exhibit 57).

Nabil Abd Al-Hadi Mustafa Mansur, Committee Secretary. Mansur was arrested three times: October 1985, October to December 1990, and 1994. (Exhibit 56).

Jenin Zakat Committee

Financial analysis of HLFDR bank records (Exhibit 43) indicate that this zakat committee received the following:

1997: \$42,849.00; 1998: \$89,779.00; 1999: \$40,394.00;
Jan.-Sept. 2000: no funds.

Additionally, from January 1997 to April 1999, transfers were made totaling approximately \$21,437.00, exact dates unknown.

The GOI reported that the individuals who run this zakat committee are HAMAS members. (Exhibits 56-57).

Ahmed Salim Ahmed Saltana, head of the Committee. Saltana was imprisoned from May 1993 to June 1996. Saltana admitted that in 1992, he participated in transferring materials for the preparation of explosive charges. In 1993, he participated in the planning of a car bombing. (Exhibits 71, 57).

Nazia Abu Aoun, a senior HAMAS activist was interviewed by the GOI. He was incarcerated with Sultana from 1993 to 1997. Aoun stated that when Sultana was in prison, he was a senior HAMAS activist. (Exhibit 72).

Iyyad Braham, the HAMAS chief in the Village of Siris, was interviewed by the GOI. He stated that in 1992, he had been appointed to this post by the HAMAS chief in Jebba, Ahmad Sultana. (Exhibit 73).

Fathi Katit, a HAMAS activist in Siris was interviewed by the GOI. He stated that Sultana had given him two manuals for the preparation of explosive charges. (Exhibit 74).

Muhammad Radwan, a HAMAS activist, was interviewed by the GOI. He stated that in 1991 or 1992, Sultana, with whom he worked in the Charity Committee, approached him with an offer to recruit him into HAMAS. Radwan agreed and later, under Sultana's guidance, distributed HAMAS leaflets in Jenin's Mosques. It is the FBI's analysis that this is a typical method of HAMAS using the Dawa (i.e. social infrastructure) to recruit members. (Exhibit 75).

Ibrahim Hassan Ali Jaber, Committee member. Jaber was placed under administrative arrest four times for being a senior HAMAS member who, among other activities, led riots during the Intifada (1987-1993). He was also under GOI arrest from January 1995 to January 1996. (Exhibits 56-57).

During the GOI interview, Jaber admitted to having been in charge of HAMAS in Jenin's refugee camp, where he recruited activists and distributed leaflets. He was also detained by the PA's General Intelligence from February to August 1996, in the PA's attempt to contain HAMAS' support structure, following a wave of suicide attacks. (Exhibit 76).

Nur Al-Din Kamal Asad Tahaina is in charge of the Zakat Committee computer. Tahaina was imprisoned from July 1994 to December 1994, for "aiding" one of the suicide bombers in the 1994 terrorist attack against an Israeli bus in Afula. He also was imprisoned by the GOI from January 1995 to January 1996 for conducting HAMAS activities. (Exhibits 56-57).

Naser Khaled Ibrahim Jarar, Committee member. Jarar was detained in April 1994, for three months for recruiting young men to the HAMAS terrorist wing; and again in January 1998, for his connection to one of the suicide bombers in the 1994 terrorist attack against an Israeli bus in Afula, as well as his assistance to other HAMAS operatives. Jarar was imprisoned during the 1980s for other terrorist activity, including throwing firebombs at a border guard vehicle and a bus, rioting, and distribution of leaflets. (Exhibits 56-57).

Abd al-Jaber Muhammad Ahmed Jarar, Committee member. Jarar was arrested in May 1993, for transferring weapons to HAMAS recruits who subsequently conducted terrorist attacks. Jarar was released from prison in November 1994, and placed under administrative arrest on account of his desire to continue his terrorist activities. He was released in December 1997. (Exhibits 56-57).

Fawaz Hamdan, Committee member. Hamdan was imprisoned for his activities in connection with HAMAS, which included aiding fugitives and funding weapons purchases. After being released in 1996, Hamdan was again arrested in 1997 for his activities in connection with the Jenin Zakat Committee. He

was released in February 1998 and is currently active with the Jenin Zakat Committee and the Al Razi Hospital. (Exhibit 56).

Professor Khalid Said "Abu Hammam," former Committee President. Khalid was detained for more than one year in 1991 for heading the HAMAS administrative office in Jenin since 1988 and being a member of the HAMAS administrative office for the Northern West Bank region. (Exhibit 56).

Al Razi Hospital: The Al Razi Hospital is administered by the Jenin Zakat Committee. Therefore, funds are not normally directly transferred there. However, the hospital, which is supported, in part, by the HLFRD (Exhibit 78), received two transfers: One occurred in April 1998, in the amount of approximately \$40,000.00; and one in the amount of approximately \$12,000.00, occurred sometime between January 1998 to April 1999, exact dates unknown.

As previously described, Fawaz Hamdan was identified as a Committee member and Administrative Director of the Al Razi Hospital, described above.⁸

Nablus Zakat Committee

Financial analysis of HLFRD bank records (Exhibit 43) indicate that this zakat committee received the following:

1997: \$43,951.00; 1998: \$31,008.00; 1999: \$46,482.00; Jan.-Sept. 2000: no funds.

Additionally, from January 1997 to April 1999, transfers of approximately \$25,707.00 were made, exact dates unknown.

Abd Al-Rahim Taha Hanbali, head of the Committee. (Exhibit 57).

Mohammed Anati, HAMAS activist and former head of the HLFRD Jerusalem was interviewed by the GOI in 1997. Anati stated that, the Nablus Charity Committee, a.k.a.

⁸ The "State of Palestine/Ministry of Health" website confirmed that Fawaz Hamad a.k.a. Hamdan was an employee at the Al Razi Hospital, which is managed by the Jenin Zakat Committee and indicated that his title is Administrative and Financial Manager.

Nablus Zakat, was headed by Dr. Abd Al Rahim Hanbali, a HAMAS activist. He further identified individuals who worked with the orphans as Haj Marzook and Siham Al-Masri, also both reportedly HAMAS activists. (Exhibit 48).

Issa Abu Al-Az, HAMAS activist in the Ayn Beit Alma Refugee Camp, was interviewed by the GOI. He identified Hanbali as a HAMAS activist. (Exhibit 56).

Hamid Sulayman Jaber Bitawi, senior Committee member. Bitawi was administratively detained from December 1990 to October 1991. He was expelled to Lebanon in December 1992 and returned to the West Bank in December 1993. (Exhibit 56).

Abd Al-Rahman 'Ashur, a self-admitted HAMAS activist, was interviewed by the GOI. He stated that he had been recruited to HAMAS in 1993 and assisted in disturbances. In early 1995, he decided to become an operative for which he applied to three persons he knew as senior Nablus HAMAS activists, one of which was Bitawi. 'Ashur asked to be recruited to operational activity in Nablus, but the three refused, adding that if they were to change their minds, they would know where to find him. (Exhibit 82).

Musbah Daher, a HAMAS activist from Aksaka, was interviewed by the GOI. He stated that Bitawi was in charge of rallies on behalf of HAMAS. (Exhibit 83).

Tolkarem a.k.a. Tulkarm Zakat Committee

Financial analysis of HLFRD bank records (Exhibit 43) indicate that this zakat committee received the following:

1997: \$23,820.00; 1998: \$18,314.00; 1999: \$30,079.00;
Jan.-Sept. 2000: no funds.

From January 1997 to April 1999, the amount of approximately \$15,344.00 was transferred, exact dates unknown.

The GOI indicates that the Tolkarem Zakat Committee exists to support HAMAS activities. The following Tolkarem Zakat Committee members were identified by the GOI as HAMAS members, in some cases senior members in the Tolkarem area. (Exhibit 57):

Hammad Muhammed Hamed Qa'adan, head of the Committee, identified by the GOI as a HAMAS activist who belongs to the HAMAS headquarters in Tolkarem and is in contact with the HAMAS leadership in Samaria.

Ibrahim Muhammad Salim Salim Nir Al Shams, member of the HAMAS Financial Committee in Tolkarem, and as an Imam of the Mosque. Salim also reportedly belonged to the Supreme HAMAS Leadership in Nur Al-Shams. He was imprisoned from October to December 1990 for rioting.

Riad Abd Al-Latif Abd Al-Karim Al Ras is a HAMAS activist assigned to the HAMAS Headquarters in Tolkarem. He is also in contact with the HAMAS leadership in Samaria and he is also a member of the Majlis Al Shura in Tulkarm.

Husni Hassan Hussein Hawaja head of the Committee and a HAMAS activist.

Bilal Hamis Yussef Abu Safira, Committee member. Safira is the head of the waqf (Islamic Trust) in Tulkarm and a senior HAMAS member.

Orphan Care Association (Bethlehem)

Financial analysis of HLFRD bank records (Exhibit 43) indicate that this zakat committee received the following:

1997-1998: no funds; 1999: \$38,435.00; Jan.-Sept. 2000: no funds.

According to the GOI, this association is run by prominent HAMAS activists, identified below. It is located on the ground floor of the Salah al Din Mosque in Bethlehem. (Exhibit 57):

Nasri Musa Issa Abada, founder. Abada is one of the HAMAS leaders in Bethlehem and is connected with senior HAMAS operatives in and out of Bethlehem, and is one of six members of the Supreme Majles Shoura in Bethlehem.

Ghassan Muhammad Harmas, Chairman; administratively detained from December 15, 1990 to February 23, 1991 and December 1992 to January 1994. Harmas was a HAMAS deportee to Lebanon.

Khalil Ali Rashad Dar Rashad, Association member. According to the GOI, Rashad is a HAMAS member who has been known to provide assistance to HAMAS fugitives. He provided assistance to HAMAS bomb-maker Muhi A-Din Sharif and HAMAS Operations Planner Hassan Salameh while the two hid in Bethlehem.

As previously stated, this organization was used during 1998 as a conduit for the HLFRD to send funds to HLFRD Jerusalem staff member Hoda Abdeen after the HLFRD office was closed in December 1997. (Exhibits 18, 50)

Qalqilia, a.k.a. Qalqiliyah Zakat Committee

Financial analysis of HLFRD bank records (Exhibit 43) indicate that this zakat committee received the following:

1997: \$35,577.00; 1998: \$29,827.00; 1999: \$40,441.00;
Jan.-Sept. 2000: no funds.

Additionally, from January 1997 until April 1999, there were transfers of approximately \$17,471.00, exact dates unknown.

GOI reporting indicates that this zakat committee exists to support HAMAS activity. All four identified members of this committee have been identified by the GOI as HAMAS members. (Exhibit 57):

Bilal Abd Al-Rahim Muhammad Hanoun, Imam of the local Mosque, as well as a HAMAS activist.

Riad Rashid Hamed Walwil, member of the leadership in the Qalqilia and, currently believed to be under PA arrest. He also served prison time from December 1990 to February 1991

for rioting and December 1992 to January 1993. He was detained by the GOI in August 1995 for interview and admitted membership in the HAMAS. He was held under administrative arrest until July 1996, due to his HAMAS activities.

Ibrahim Zahran, Committee member and HAMAS activist.

Walid Abd Al-Latif Suliman Abu Labadah, Committee member and a HAMAS activist.

Halhul Zakat Committee

Financial analysis of HLF RD bank records (Exhibit 43) indicate that this zakat committee received the following:

1997: \$31,652.00; 1998: \$22,173.00; 1999: \$29,643.00;
Jan.-Sept. 2000: no funds.

Additionally, from January 1997 until April 1999, transfers totaling approximately \$17,273.00 were made, exact date unknown.

GOI information indicates that the Halhul Zakat Committee is controlled by HAMAS. Their information is based at least partly on the fact that the following three Committee members are HAMAS members and they actively direct the Committee. (Exhibit 57):

Tawfiq Muhammad Ali Atrash, Committee member. He also serves as headmaster of an affiliated school, and is a HAMAS member. Atrash was under administrative arrest from March 1996 to September 1996.

Ahmed abd al-Rahman Abdallah Jahshan, Committee member; the headmaster of a school in Halhul; and a known HAMAS member. In late 1992 he visited Ahmed Salah, a senior HAMAS member in the United States.

Ahmed Rashid Ahmed Abu Aroush, Committee member; secretary at the local secondary school; and a known HAMAS member. He also visited Ahmed Salah in the U.S. in late 1992.

Hebron Zakat Committee a.k.a.
Hebron Tithing And Alms Committee

Financial analysis of HLFRD bank records (Exhibit 43) indicate that this zakat committee received the following:

1997: \$20,090.00; 1998: \$12,799.00; 1999: \$24,279.00;
Jan.-Sept. 2000: no funds.

Additionally, from January 1997 until April 1999, transfers totaling approximately \$12,992.00 were made, exact date unknown.

GOI information indicates that this zakat committee is connected to the HAMAS terrorist wing, specifically that HAMAS members run the organization.

According to GOI reporting, the following individuals are leaders of the Hebron Zakat Committee (Exhibit 52):

Majed Musbah abd al-Fatah Naser al-Din, is reportedly a HAMAS member and the head of the Committee. He is known to go abroad on assignment of the Committee to raise funds.

Muhammad Najab Kamal Sadeq Jabari, is Chairman of the Committee, head of the Hebron Religious Sages Council in Hebron, and reportedly a HAMAS member.

Dar El Salam Hospital

Financial analysis of HLFRD bank records (Exhibit 43) indicate that this hospital received the following:

1997: \$104,600.00; 1998: \$128,850.00; 1999: \$37,222.00;
Jan.-Sept. 2000: \$31,050.00.

Additionally, from January 1997 to April 1999, transfers totaling \$15,500.00 were sent from the HLFRD to the Dar El Salam Hospital, exact dates unknown. It is possible that the reduction in funds was due to the fact that HLFRD was channeling funds through the HLFRD Gaza which oversees the hospital.

According to the GOI, the Dar el Salam Hospital was founded in 1995 with HAMAS funds and protection. The building is located on the land of a HAMAS-associated family by the name of Al Bata from Khan Yunis. Members of the family work at the hospital. (Exhibit 57).

FBI investigation indicates that since 1995, Dar el Salam has received over \$400,000.00 from the HLFDRD. The GOI provided the following information regarding the employees of the Dar el Salam Hospital (Exhibit 57):

Mufid Muhammad Mahmud Mukhalilati, Hospital Director. Mukhalilati also heads the health center near the Shifa Hospital in Gaza. The GOI has identified Mukhalilati as a HAMAS activist.

Naji Muhammad Said Bata, operates the family pharmacy and has been identified as a HAMAS activist. Beta was imprisoned from December 1992 to January 1993 for participating in riots.

Salah Muhammad Said Bata, sales agent and works at the Dar el Salam hospital pharmacy. The GOI has identified him as a HAMAS activist.

Islamic Aid Committee a.k.a. Islamic Relief Agency (IRA)

According to the GOI, the IRA was an association based mainly in Nazareth, Israel. Its declared purposes were, "Charity, collection of contributions, aid to the needy and charity." The HLFDRD provided funding to the IRA. The GOI searched the offices of the IRA and ultimately closed the association, at the same time as it closed the HLFDRD. While this organization was closed by the GOI on March 17, 1996, it illustrates the role of the HLFDRD in funding HAMAS.

Based upon the search of the IRA offices on July 27, 1995, and November 8, 1995, the GOI determined that the IRA transferred funds to, among others, the families of HAMAS activists who carried out several terrorist attacks, including kidnaping and murder of civilians, policemen and soldiers. The beneficiaries of the funds also included families of prisoners, deportees and HAMAS activists killed

during attacks. The IRA also transferred funds to families whose homes were demolished according to an administrative decree.

According to the records found, the money transfers to the families of HAMAS activists were separated from the lists of other beneficiaries. The IRA paid salaries to some ten HAMAS activists in the West Bank who have been imprisoned and/or deported in the past and are acting as the "representatives" of the IRA in their area of residence. The GOI found forms requesting aid for the families of "The Fallen", filled in by the "representative." The form included the name of "The Fallen," a detailed description of the attack during which he was killed; his former nationalistic activities in HAMAS; and a description of the special circumstances of the family of "The Fallen." (Exhibit 84).

The court decision to close the IRA stated:

The appellant is engaged in provision of massive aid to the families of HAMAS activists, who perpetrated or planned to perpetrate severe terrorist attacks and who were imprisoned, killed or deported, and that the main source of funds of the appellant is contributions by organizations abroad, all of which constitute part of the funding system of the HAMAS organization. (Exhibit 85).

Many of the lists of HAMAS beneficiaries, previously described in the May 7, 1995, search of the HLFDRD Jerusalem offices were funded through the HLFDRD providing money and guidance to the IRA.

3C. ORGANIZATIONS FUNNELING MONEY TO HAMAS

Sanabil Association For Relief And Development (Sanabil)

Sanabil is a Lebanese-based organization. Financial analysis of HLFDRD bank records (Exhibit 43) indicate that this organization received the following:

1997: \$125,744.00; 1998: \$232,110.00; 1999: \$649,386.00;
Jan.-Sept. 2000: \$456,105.00.

Additionally, from January 1997 to April 1999, transfers totaling \$161,145.00 were sent from the HLFRD to Sanabil, exact dates unknown.

FBI analysis suggests that the HLFRD has devoted large amounts of money to gain favor and/or facilitate projects with the Lebanese government. For example, on March 10, 2000, Shukri Abu Baker, CEO, and Haitham Maghawri, Executive Director, flew to Lebanon to present a \$100,000.00 check to the President and Prime Minister of Lebanon for the reconstruction of power plants destroyed by the Israeli air force on February 8, 2000. (Exhibit 87). The Israeli attack on the power plants was retaliation for Hizballah guerrilla attacks in which five Israeli soldiers were killed since January 25, 2000. (Exhibit 88).

Sanabil also has ties to The Palestine Relief Fund (a.k.a. Interpal), a United Kingdom based organization, which the GOI has identified as belonging to the HAMAS organization. (Exhibit 49). FBI analysis has linked Sanabil, Interpal and the HLFRD;

1. According to its website, www.interpal.org, Interpal describes itself as "The Palestinians' Relief and Development Fund, a non-political, non-profitable, independent charitable organization. The Charity is principally concerned with providing much needed support to the poor and needy Palestinian people in the primary areas of operation in Palestine - West Bank, the Gaza Strip and the refugee camps in Jordan and Lebanon." (Exhibit 89).

2. According to the August 24, 2001 Interpal website, most of the donations received by Interpal are zakat payments which places the charity under a religious duty to distribute funds according to Islamic Law. (Exhibit 89).

3. Interpal's August 15, 2001 website states that it "works closely with Sanabil." (Exhibit 89).

4. Interpal further identifies other organizations, if one wishes to make "International Donations." The only organization listed for the United States is the HLFRD. (Exhibit 89).

5. Finally, a review of the HLFRD's financial records shows that on April 11, 2000, the HLFRD wired Interpal \$66,000.00 (Exhibit 89).

Human Appeal International-Jordan (HAI)

While there is no evidence that HAI is a HAMAS organization, FBI investigation has revealed a close relationship among the HLFRD, HAMAS and HAI. FBI investigation has determined that the HLFRD provides significant funding to HAI, which benefits the HAMAS agenda.

Financial analysis of HLFRD bank records (Exhibit 43) indicate that HAI received the following:

1997: \$31,475.00; 1998: \$105,236.00; 1999: \$281,608.00; Jan.-Sept. 2000: \$233,377.00.

Additionally, during the time period of January 1997 to April 1999, transfers totaling approximately \$34,745.00 were made, exact dates unknown.

FBI investigation has determined that Bassam Fares was the HLFRD's Projects and Grants Director, from February 1997 until his voluntary removal from the United States in 2000. Fares held a senior HLFRD position. From April 1990 through May 1993, Fares was the Deputy Regional Manager for HAI in Jordan. (Exhibit 90).

In February 1996, an HLFRD-5, an FBI source, who has provided reliable information in the past, reported on a meeting at which Bassam Fares, a.k.a. Bassam Farris and others discussed how HAMAS meetings should be structured.

According to the source, FARES, a Jordanian, indicated that he had been affiliated with the Islamic Association for Palestine (IAP) for approximately ten years, and that organization donates to the Palestinian area approximately \$3 million per year. These donations were reportedly sent to the Holy Land Foundation in Palestine, and the money goes to HAMAS.

As previously stated, the IAP also received funds from Mousa Marzook in the early 1990s, during the same time frame as Marzook, acting on behalf of HAMAS, was providing funds to the HLFRD and InfoCom.

FBI analysis suggests that unlike some of the other recipients of HLFDR funds, this organization is not controlled by HAMAS, but is a well-funded Gulf organization. It currently appears that HAI-Jordan could be serving as a conduit through which the HLFDR sends funds to its HLFDR representative in Amman. The HLFDR is not licensed to operate in Jordan, and thus cannot legally have an office or bank account in Amman, Jordan. It is likely that this close relationship with the HAI allows the HLFDR to circumvent this restriction on its activities.

4. HLFDR And Its Leadership Identified As HAMAS

4A. FBI asset reporting:

HLFDR-1, an FBI source who has provided reliable information in the past reported that during a speech at the Islamic Center of Passaic County (ICPC) in November, 1994, Mohammad El-Mezain, the HLFDR's current Director of Endowments and former Chairman of the HLFDR Board, admitted that some of the money collected by the ICPC and the HLFDR goes to HAMAS or HAMAS activities in Israel. El-Mezain also defended HAMAS and the activities carried out by HAMAS.

HLFDR-4, an FBI source, who has provided reliable information in the past, reported that on November 5, 1994, the IAP held a conference at the Culver City Memorial Building in Culver City, California. The HLFDR's CEO, Shukri Abu Baker was identified to the audience as the Director of the HLFDR in Dallas, Texas, and the Senior Vice-President in HAMAS (second only to Mohammed El Mezain). The source reported that at this conference, El Mezain and Baker stated that the monies raised by the HLFDR were strictly for HAMAS terrorists.

HLFDR-4 further reported that HAMAS leaders Shukri Abu Baker and Mohamed El-Mezain attended a Muslim Arab Youth Association (MAYA) Conference, December 30, 1994 to January 2, 1995, at the Hyatt Regency in Los Angeles, wherein Sheikh Muhammed Siyam was the keynote speaker. Siyam was introduced as "Head of operations of Al Jihad Al Islamia in Gaza, the HAMAS military wing."

Siyam stated, "I've been told to restrict or restrain what I say . . . I hope no one is recording me or taking any pictures, as none are allowed . . . because I'm going to

Speak the truth to you. It's simple. Finish off the Israeli's. Kill them all! Exterminate them! No peace ever! Do not bother to talk politics."

Following Siyam's speech, El-Mezain exhorted the crowd to contribute money. It was subsequently announced that \$207,000 was raised for "the cause."

At that conference, El-Mezain reportedly stated that during 1994 he (El-Mezain) raised \$1,800,000 inside the United States for HAMAS. El-Mezain and Abu Baker stated that funds raised by the HLFRD were strictly dollars for HAMAS. (Exhibit 96).

In December 1994, HLFRD-3, an FBI asset who has provided both reliable and unreliable information in the past, reported that Baker described the HLFRD as follows, "We raise funds for Islam, money goes to projects." In describing the projects the HLFRD funds, Baker said, "Some money goes to HAMAS, but we build hospitals, schools, etc."

On September 30, 1997, an HLFRD-4, reported on the HLFRD fund-raiser at the Sequoia Convention Center, Buena Park, California. At that fund-raiser, Shukri Abu Baker stated that the individuals present owed the money to the HLFRD and the people fighting for the Islamic state in the West Bank and Gaza. He also talked about the HLFRD mission to support the families of the martyrs. He stated that the goal of HAMAS to form an Islamic State could not be thwarted. Abu Baker indicated that in the end HAMAS would throw out Arafat and an Islamic State would be established.

In March 1998, HLFRD-6, an FBI source, who has provided reliable information in the past advised that Ammar Hussein Imreish, who source identified as the local leader for the HLFRD, specifically talked about HAMAS and its ties to HLFRD. Imreish stated that HAMAS leadership wants to hit only military individuals and targets, not civilians. Additionally, according to the source, the HAMAS leadership says that HLFRD is their voice. Imreish surmised that in the future, HAMAS will be recognized as a legitimate representative of the Palestinian people and then the HLFRD's ties to HAMAS will then be known.

HLFRD-3 further reported that the HLFRD raises funds for HAMAS and Shukri Abu Baker is a U.S.-based leader of HAMAS.

HLFRD-7, an FBI source, who has provided reliable information in the past reported that El-Mezain travels throughout the United States conducting fund-raising events on behalf of HAMAS and toured different Arab Gulf countries in 1994, giving speeches about HAMAS and collecting donations.

HLFRD-8, an FBI source, who has provided reliable information in the past reported that on Friday, April 6, 2001, an HLFRD representative spoke to a crowd of approximately 500 to 600 at the mosque in Cleveland. He spoke about the plight of Muslims overseas. This individual, introduced an official representative of the HLFRD and stated that it was the duty of Muslims in Cleveland to help the Muslims overseas through the HLFRD.

This same source reported that on Friday, April 13, 2001, the same individual again spoke about the HLFRD. The speaker introduced the HLFRD representative and encouraged people to support Muslims overseas through the HLFRD. During this talk, the speaker repeatedly made the statement that the HLFRD is accused of being HAMAS. He then stated, "if we are HAMAS, so what, we are helping our people."

Jamil Sarsour Confession: On October 23, 1998, Sarsour was arrested by the GOI for his involvement with the HAMAS terrorist organization, specifically, for providing financial and other assistance to HAMAS fugitive and military activist, Abdul Awadallah. At the time of his arrest, Sarsour was carrying \$66,530.00, a personal telephone book and two American passports. Sarsour was interviewed and provided information concerning his and his brother, Salah's activities in support of HAMAS over the last several years.

During the course of his interview, Sarsour described his brother Salah Sarsour's involvement with HAMAS and fund-raising activities by the HLFRD, in Richardson, Texas on behalf of HAMAS. Sarsour stated that some of the members of the Islamic Center in Milwaukee, Wisconsin, and his brothers Salah and Imad are involved in raising money in the name of the HLFRD that is actually for HAMAS. (Exhibit 102).

5. HLFRD Bank Account:

FBI investigation has revealed that the HLFRD in Richardson, Texas funded the above described zakat committees, HLFRD offices and organizations by means of wire transfers from its Bank One accounts in Texas. Shukri Abu Baker and Ghassan Elashi are the primary signatories of record on these accounts. (Exhibit 103).

IV. SUMMARY

FBI investigations of HAMAS activities in the United States have revealed that the HLFRD is the primary fund-raising entity for HAMAS and that a significant portion of the funds raised by the HLFRD are clearly being used by the HAMAS organization. The information provided in this document confirms that the HLFRD is acting for or on behalf of HAMAS. Further, senior members of HLFRD support HAMAS ideology and activities. These HAMAS activities interfere with the Middle East peace process and pose a threat to the national security, foreign policy, or economy of the United States. As such, HLFRD should be considered by OFAC for SDT designation as a HAMAS entity, subject to the prohibitions of the IEEPA statute.

Exhibit List

1. Executive Order 12947; Federal Register Publication, 1/25/95, re: HAMAS as SDT;
2. www.palestine-info.com/hamas/leaders; Reuters article, 12/1/89; Info-Prod Research Ltd. article, 12/29/98, re: Yassin's arrest history;
3. HAMAS covenant;
4. Reuters article, 7/31/01, re: relationship between HAMAS political and military;
5. Reuters article, 5/14/01, re: Rantissi quote;
6. Washington Post article, 8/11/01, re: Sbarro attack;
7. USA Today article, 8/13/01, re: disco attack;
8. Associated Press article, 5/25/01, re: May 2001 bombing;
9. The Ethnic Newswatch article, 2/25/96, re: February 1996 bombing;
10. Texas Secretary of State application for certification of authority by a non-profit corporation for the HLFRD;
11. HLFRD 1999 Annual Report; employee list recovered in trash cover;
12. IRS forms 990: 1998, 1999; Dun & Bradstreet report;
13. American Express credit card records, re: Philadelphia meeting;
14. 10/27/93 Airtel, re: Courtyard Marriott Hotel; room assignments;
15. GOI report 10/7217/92, 11/01/92 re: Ashgar;
16. Marzook extradition request, transcript of interviews with Sufian Abu Samara, 1/07/91 and 1/14/91, at pages 17-19;
17. IP interview of Mahmud Rumahi, 2/21/93;
18. GOI report 10/5830-99, 8/08/99, Akram Haroubi interview summary; www.hlf.org/May 2000 newsletter, re: AlAnwar AlIbrahimiya Education Center;
19. Asset reporting;