



IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION

UNITED STATES OF AMERICA,) No. _____
)
Plaintiff,)
)
v.)
)
ISLAMIC AMERICAN RELIEF AGENCY,) **COUNT ONE:**
a/k/a Islamic African Relief Agency-USA,) **Defendants 1, 2, 3, 4, and 5**
a/k/a IARA, (1)) **18 U.S.C. § 371**
) (Conspiracy to Violate the International
) Emergency Economic Powers Act and the
) Iraqi Sanctions Regulations)
)
) NMT 5 years imprisonment
MUBARAK HAMED, (2)) NMT \$250,000 fine
[DOB: XX/XX/1956],) NMT 3 years TSR
) Class D Felony
)
ALI MOHAMED BAGEGNI, (3))
[DOB: XX/XX/1954],) **COUNTS TWO through TWELVE:**
) **Defendants 1, 2, 3, and 5**
) **50 U.S.C. §§ 1701 – 1706**
AHMAD MUSTAFA, (4)) **18 U.S.C. § 2**
[DOB: XX/XX/1952],) **31 C.F.R. § 575.210**
) (Violations of the International Emergency
) Economic Powers Act and the Iraqi
) Sanctions Regulations)
)
and)
) NMT 12 years imprisonment
ABDEL AZIM EL-SIDDIQ, (6)) NMT \$1,000,000 fine
[DOB: XX/XX/1957],) NMT 3 years TSR
) Class C Felony
)
Defendants.)
) **COUNT THIRTEEN:**
) **Defendants 1, 2, 3, 4, and 5**
) **18 U.S.C. § 1956(h)**
) (Conspiracy to Commit Money
) Laundering)
)
) NMT 20 years imprisonment
) NMT \$500,000 fine
) NMT 5 years TSR
) Class B Felony



-) **COUNTS FOURTEEN through**
-) **TWENTY-FOUR:**
-) **Defendants 1, 2, 3, and 5**
-) **18 U.S.C. §§ 1956(a)(2)(A) and 2**
-) **(Money Laundering)**
-)
-) NMT 20 years imprisonment
-) NMT \$500,000 fine
-) NMT 5 years TSR
-) Class B Felony
-)
-) **COUNT TWENTY-FIVE through**
-) **TWENTY-SEVEN:**
-) **Defendants 1, 2, and 3**
-) **18 U.S.C. §§ 641 and 2**
-) **(Theft of Public Money)**
-)
-) NMT 10 years imprisonment
-) NMT \$250,000 fine
-) NMT 3 years TSR
-) Class C Felony
-)
-) **COUNT TWENTY-EIGHT:**
-) **Defendants 1, 2, 3, and 6**
-) **18 U.S.C. § 1956(h)**
-) **(Conspiracy to Commit Money**
-) **Laundering)**
-)
-) NMT 20 years imprisonment
-) NMT \$500,000 fine
-) NMT 5 years TSR
-) Class B Felony



-) **COUNTS TWENTY-NINE through**
-) **THIRTY-ONE:**
-) **Defendants 1, 2, 3, and 6**
-) **18 U.S.C. §§ 1956(a)(1)(B)(i) and 2**
-) **(Money Laundering)**
-)
-) NMT 20 years imprisonment
-) NMT \$500,000 fine
-) NMT 5 years TSR
-) Class B Felony
-)
-) **COUNT THIRTY-TWO:**
-) **Defendants 1 and 2**
-) **26 U.S.C. § 7212(a)**
-) **(Obstructing or Impeding Administration**
-) **of Internal Revenue Laws)**
-)
-) NMT 3 years imprisonment
-) NMT \$250,000/\$500,000 fine
-) NMT 1 year TSR
-) Class E Felony
-)
-) \$100 Special Assessment on Each Count
-)
-) **COUNT THIRTY-THREE:**
-) **Defendants 1, 2, 3, 4, 5, and 6**
-) **18 U.S.C. §§ 982(a)(1) and (b)(1)**
-) **(Forfeiture)**



Summary of Charges:

DEFENDANT	COUNTS
ISLAMIC AMERICAN RELIEF AGENCY, (1)	1 - 33
MUBARAK HAMED, (2)	1 - 33
ALI MOHAMED BAGEGNI, (3)	1 - 31, and 33
AHMAD MUSTAFA, (4)	1, 13, and 33
KHALID AL-SUDANEE, (5)	1 - 24, and 33
ABDEL AZIM EL-SIDDIQ, (6)	28-31, and 33

The Grand Jury charges:

Introduction

At all times material herein:

1. The defendant ISLAMIC AMERICAN RELIEF AGENCY, hereinafter referred to as "IARA," a/k/a Islamic African Relief Agency-USA, was an Islamic charitable organization incorporated under Missouri law in 1985. On its application for tax-exempt status, the organization stated: "The primary purpose in forming the organization was to raise funds in the United States that could be donated abroad to assist in the famine crises in Africa, particularly in the Sudan region. The organization raises its funds in the United States primarily through personal contacts of the organization with other foreigners living in the U.S." According to the defendant IARA's website (as of May 10, 2004), "The Islamic American Relief Agency is an American non-profit organization established in 1985 and dedicated to the empowerment of disadvantaged people everywhere through



relief and participatory development programs emphasizing human dignity, self-reliance, and social justice.” One of the purposes of the defendant IARA’s website was to solicit donations from the general public for advertised projects and programs.

2. On or about August 27, 1987, the defendant IARA applied for recognition of tax exemption under Section 501(c)(3) of the Internal Revenue Code (Title 26, United States Code). On April 21, 1989, the defendant IARA was granted tax-exempt status. In addition to affecting the organization’s tax liability, the tax-exempt designation allowed all contributions made to the organization to be deducted from the donors’ adjusted gross income.

3. On its Form 1023, Application for Recognition of Exemption, dated August 27, 1987, the defendant IARA stated that it “is an affiliate of the African Relief Agency of Khartoum, Sudan, although the Agency in Khartoum exercises no authority or control over the organization [IARA].”

4. The defendant IARA’s Articles of Incorporation describe it as “Islamic African Relief Agency United States Affiliate” and include the purpose of “effecting the Objectives and Means of the Islamic African Relief Agency as set forth in its Constitution.” The Articles of Incorporation further provided that in the event of the defendant IARA’s dissolution, the Islamic African Relief Agency (Sudan), among others, should receive its assets.



5. On April 18, 1990, Dr. Abdallah Sulayman Al-Awad, Agency General Director of the Islamic African Relief Agency, Khartoum, Sudan, sent a letter to the defendant IARA's then-office manager, Muhammad Ahmad Ibrahim Al-Bashir, advising the defendant IARA that the Islamic African Relief Agency headquarters in Khartoum, Sudan, had decided to transfer Mubarak Hamad [the defendant MUBARAK HAMED] to the "US office as deputy to the office manager - starting the beginning of October 1990 A.D." The letter continued by stating, ". . . I request that you kindly start in the proceedings of his entry to the US, providing that he enters and lives on a student visa until he receives the permanent work visa."

6. In 1998, during correspondence with the Treasury Department, the defendant IARA described the Islamic African Relief Agency as its "partner in Sudan."

7. On May 25, 2000, the Islamic African Relief Agency-USA legally changed its name to the Islamic American Relief Agency (the defendant IARA).

8. The defendant IARA provided a large amount of its financial aid through the offices of the Islamic Relief Agency (ISRA), located throughout the world, including Amman, Jordan.

9. ISRA is the international identity of the Islamic African Relief Agency headquartered in Khartoum, Sudan. ISRA's publications and correspondence confirm the merged identity by referring to itself by both names.



COUNT ONE

(Conspiracy to Violate the International Emergency Economic Powers Act
and the Iraqi Sanctions Regulations)

10. The allegations of paragraphs one (1) through nine (9) of this Indictment are hereby re-alleged and incorporated by reference as though fully set forth herein.

11. Under the International Emergency Economic Powers Act (Title 50, United States Code, Sections 1701 through 1706) (IEEPA), the President of the United States has the authority to deal with unusual or extraordinary threats to the national security and foreign policy of the United States. This authority includes investigating, regulating and prohibiting any transaction, including transfers of credit or payments, involving any interest of a foreign country or national thereof related to a Presidentially declared national emergency. The President's formal directives in this regard are issued through Executive Orders which have the force and effect of law.

12. On or about August 2, 1990, under the authority of IEEPA, and following Iraq's invasion into Kuwait, President George H. W. Bush issued Executive Order 12722, which declared a national emergency with respect to Iraq. According to the directive, the policies and actions of the Government of Iraq constituted an unusual and extraordinary threat to the national security and foreign policy interests of the United States. On or about August 9, 1990, the President issued Executive Order 12724, which proscribed specific conduct related to the national security concerns and empowered the Secretary of



Treasury to promulgate regulations and take other action necessary to fully realize the purposes of the relevant Executive Orders.

13. Pursuant to this authority, the Secretary of Treasury issued the Iraqi Sanctions Regulations, Title 31, Code of Federal Regulations, Section 575. These Executive Orders and regulations, which are administered and enforced by the Department of Treasury's Office of Foreign Assets Control (OFAC), prohibited, among other things: (a) the unauthorized transfer, direct or indirect, of funds or other financial or economic resources to the Government of Iraq or to any person in Iraq; (b) the unauthorized export of goods, technology or services from the United States to a third country that were intended for further shipment to Iraq; (c) any transaction for the purpose of, or which had the effect of, evading or avoiding the Iraqi Sanctions Regulations; and (d) any conspiracy formed for the purpose of engaging in a transaction prohibited by the regulations.

14. The regulations did, however, provide for the registration and licensing of Non-Governmental Organizations (NGOs) engaged in humanitarian activities in Iraq, as well as individual transactions; all of which were reviewed on a case by case basis by OFAC. If approved, the NGO or other applicant would receive a license from OFAC containing strict guidance on the nature and extent of the approved activities. None of the defendants ever received a license from OFAC authorizing money or other items to be delivered, directly or indirectly, into Iraq.



15. The President renewed the declared national emergency regarding Iraq by the yearly reissuance of the relevant Executive Orders. Effective May 23, 2003, subsequent to the ouster of Ba'ath party and the regime of then-President Saddam Hussein, OFAC issued a General License which suspended most economic sanctions against Iraq, including those described herein.

16. The defendant MUBARAK HAMED was the executive director for the defendant IARA beginning in at least 1992, continuing until the organization's closure in October 2004.

17. The defendant ALI BAGEGNI was a member of the defendant IARA's board of directors beginning in at least 1992, continuing until the organization's closure in October 2004.

18. The defendant KHALID AL-SUDANEE is the regional director of ISRA's Middle East office, located in Amman, Jordan.

19. The defendant AHMAD MUSTAFA was a fund-raiser for the defendant IARA from approximately July 1996 until the organization's closure in October 2004. The defendant AHMAD MUSTAFA, a native of Iraq, concentrated his efforts in raising funds for Iraq.

20. Beginning in or around March 1991 and continuing until in or around May 2003, in the Western District of Missouri, and elsewhere, the defendants IARA, MUBARAK HAMED, KHALID AL-SUDANEE, ALI BAGEGNI, AHMAD



MUSTAFA and others known and unknown to the Grand Jury, knowingly and willfully conspired, confederated and agreed to violate Executive Orders 12722 and 12724, and the Iraqi Sanctions Regulations, by transferring and causing to be transferred, funds, from the United States to Iraq, by and through Amman, Jordan, which transfers were subject to Executive Orders 12722 and 12724, and the Iraqi Sanctions Regulations, in violation of Title 50, United States Code, Sections 1701 through 1706; and Title 31, Code of Federal Regulations, Section 575.210.

Manner and Means

21. In furtherance of the conspiracy, beginning in or around March 1991, the defendant IARA, by and through its board of directors, including the defendant ALI BAGEGNI, authorized the provision of financial support to persons and organizations located inside Iraq.

22. During the course and in furtherance of the conspiracy, and in order to generate money for Iraq, the defendants, including the defendant AHMAD MUSTAFA, used the defendant IARA's tax-exempt status to solicit donations from the public by representing that the donors' contributions were tax deductible.

23. During the course and in furtherance of the conspiracy, and in order to encourage donations for Iraq, the defendants, by and through the approval of the defendant IARA's board of directors, produced publications which described and lauded contributions going to Iraq.



24. During the course and in furtherance of the conspiracy, and in order to document the contributions to Iraq, the defendants maintained internal accounting classifications which detailed the nature and amount of contributions being made to Iraq.

25. During the course and in furtherance of the conspiracy, the defendants engaged the services of the defendant KHALID AL-SUDANEE, regional director of ISRA's Middle East office, to transfer, by electronic and other means, funds or other items, originating in the United States, to Iraq. As part of his duties, and in order to facilitate the transactions and identify recipients, the defendant KHALID AL-SUDANEE met with Iraqi military and other government officials.

26. During the course and in furtherance of the conspiracy, the defendants MUBARAK HAMED, ALI BAGEGNI and AHMAD MUSTAFA, transferred and caused to be transferred, funds, from the defendant IARA's bank accounts in the Western District of Missouri, to ISRA's bank accounts in Amman, Jordan.

27. During the course and in furtherance of the conspiracy, the defendant KHALID AL-SUDANEE, by and in agreement with the other defendants, transferred and caused to be transferred, monies received from the defendant IARA's bank accounts in the United States, to Iraq.

28. During the course and in furtherance of the conspiracy, the defendant KHALID AL-SUDANEE authored and maintained internal reports and financial



schedules detailing monies received from the defendant IARA in the United States and expended in Iraq.

29. During the course and in furtherance of the conspiracy, the defendant KHALID AL-SUDANEE forwarded periodic status reports to the defendant IARA describing the conditions and needs in Iraq, and detailing the expenditure of the defendant IARA's funds in Iraq.

30. During the course and in furtherance of the conspiracy, the defendant IARA's board of directors reviewed and approved the defendant IARA's annual reports which described the defendant IARA's activities in Iraq and encouraged continued donations in order to facilitate the defendant IARA's on-going efforts within Iraq.

31. During the course and in furtherance of the conspiracy, the defendant MUBARAK HAMED, in response to an inquiry by OFAC as to whether the defendant IARA was violating the Iraqi sanctions, attempted to deceive OFAC by stating that the defendant IARA was attempting to aid and assist Iraqi people living outside of Iraq.

32. At no time, did any of the defendants, IARA, MUBARAK HAMED, ALI BAGEGNI, AHMAD MUSTAFA and KHALID AL-SUDANEE, receive a license or other authorization from OFAC to transfer or cause to be transferred, monies or other items, into Iraq.



Overt Acts

33. During the course and in furtherance of the conspiracy, and in order to accomplish its purposes, on or about the dates, and in the amounts, set forth below, the defendants IARA, MUBARAK HAMED, ALI BAGEGNI, AHMAD MUSTAFA and KHALID AL-SUDANEE committed, and caused to be committed, the following overt acts, in addition to those acts detailed within the Manner and Means section above, and others, by participating in transactions or negotiations involving the transfer and attempted transfer of funds and other items from the United States to Amman, Jordan, for ultimate distribution to Iraq, in violation of Executive Orders 12722 and 12724, and the Iraqi Sanctions Regulations:

<u>OVERT ACTS</u>	<u>DATE OF TRANSFER</u>	<u>APPROXIMATE AMOUNT</u>
1	04/10/91	\$ 15,542.50
2	08/26/91	\$ 19,200.00
3	03/26/92	\$ 15,000.00
4	07/28/92	\$ 4,742.50
5	06/11/93	\$ 6,981.00
6	05/31/95	\$ 4,120.00
7	07/26/96	\$ 10,000.00
8	11/20/96	“Medical Supplies”
9	12/10/96	\$ 14,529.00
10	01/28/97	\$ 41,700.00
11	03/31/97	\$ 51,500.00



<u>OVERT ACTS</u>	<u>DATE OF TRANSFER</u>	<u>APPROXIMATE AMOUNT</u>
12	01/29/98	\$ 50,000.00
13	01/04/00	\$ 30,000.00
14	01/14/00	\$ 50,000.00
15	02/07/01	\$ 50,000.00
16	07/19/01	\$ 50,000.00
17	05/24/02	\$ 5,776.00
18	08/29/02	\$ 4,829.00

In violation of Title 18, United States Code, Section 371 (Title 50, United States Code, Sections 1701-1706; Title 31, Code of Federal Regulations, Section 575.210).

COUNTS TWO through TWELVE

(Violations of the International Emergency Economic Powers Act and Iraqi Sanctions)

34. The allegations of paragraphs one (1) through eighteen (18) and paragraphs twenty-one (21) through thirty-three (33) of this Indictment are hereby re-alleged and incorporated by reference as though fully set forth herein.

35. On or about the dates, and in the approximate amounts, set forth below, in the Western District of Missouri, and elsewhere, the defendants IARA, MUBARAK HAMED, ALI BAGEGNI and KHALID AL-SUDANEE, aided and abetted by each other, knowingly and willfully violated Executive Orders 12722 and 12724, and the Iraqi Sanctions Regulations, by participating in transactions involving the transfer and attempted transfer of funds from the United States to Iraq, by and through Amman,



Jordan, which funds were subject to Executive Orders 12722 and 12724, and the Iraqi Sanctions Regulations:

<u>COUNT</u>	<u>DATE OF TRANSFER</u>	<u>APPROXIMATE AMOUNT</u>
2	12/09/99	\$ 8,801.00
3	01/04/00	\$ 30,000.00
4	01/14/00	\$ 50,000.00
5	02/08/00	\$ 75,000.00
6	05/12/00	\$ 58,995.60
7	10/31/00	\$ 60,000.00
8	02/14/01	\$ 50,000.00
9	07/19/01	\$ 50,000.00
10	12/18/01	\$ 40,974.09
11	05/24/02	\$ 5,776.00
12	08/29/02	\$ 4,829.80

In violation of Title 50, United States Code, Sections 1701-1706; Title 31, Code of Federal Regulations, Section 575.210; and Title 18, United States Code, Section 2.

COUNT THIRTEEN

(Conspiracy to Commit Money Laundering)

36. The allegations of paragraphs one (1) through nineteen (19) and paragraphs twenty-one (21) through thirty-three (33) of this Indictment are hereby re-alleged and incorporated by reference as though fully set forth herein.

37. Beginning in or about March 1991 and continuing until in or about May 2003, in the Western District of Missouri, and elsewhere, the defendants IARA, MUBARAK



HAMED, ALI BAGEGNI, AHMAD MUSTAFA and KHALID AL-SUDANEE did

conspire and agree with one another, and with others known and unknown to the Grand Jury, to knowingly transport, transmit and transfer, and attempt to transport, transmit and transfer a monetary instrument and funds from a place in the United States to a place outside the United States with the intent to promote the carrying on of specified unlawful activity, that is, knowingly and willfully transferring and attempting to transfer funds or other financial or economic resources to Iraq, by and through Amman, Jordan, in violation of Title 50, United States Code, Sections 1701 through 1706 (IEEPA), and punishable under Section 206 of IEEPA (also known as Title 50, United States Code, Section 1705(b)).

In violation of Title 18, United States Code, Section 1956(h).

COUNTS FOURTEEN through TWENTY-FOUR
(Money Laundering)

38. The allegations of paragraphs one (1) through eighteen (18) and paragraphs twenty-one (21) through thirty-three (33) of this Indictment are hereby re-alleged and incorporated by reference as though fully set forth herein.

39. On or about the dates, and in the approximate amounts, set forth below, in the Western District of Missouri, and elsewhere, the defendants IARA, MUBARAK HAMED, ALI BAGEGNI and KHALID AL-SUDANEE, aided and abetted by each other, did knowingly transfer and attempt to transfer funds, in the form of wire transfers, from a place in the United States to a place outside the United States with the intent to



promote the carrying on of specified unlawful activity, that is, knowingly and willfully transferring and attempting to transfer funds or other financial or economic resources to Iraq, by and through Amman, Jordan, in violation of Title 50, United States Code, Sections 1701 through 1706 (IEEPA), and punishable under Section 206 of IEEPA (also known as Title 50, United States Code, Section 1705(b)):

<u>COUNT</u>	<u>DATE OF WIRE TRANSFER</u>	<u>APPROXIMATE AMOUNT</u>
14	12/09/99	\$ 8,801.00
15	01/04/00	\$ 30,000.00
16	01/14/00	\$ 50,000.00
17	02/08/00	\$ 75,000.00
18	05/12/00	\$ 58,995.60
19	10/31/00	\$ 60,000.00
20	02/14/01	\$ 50,000.00
21	07/19/01	\$ 50,000.00
22	12/18/01	\$ 40,974.09
23	05/24/02	\$ 5,776.00
24	08/29/02	\$ 4,829.80

In violation of Title 18, United States Code, Sections 1956(a)(2)(A) and 2.

COUNTS TWENTY-FIVE through TWENTY-SEVEN
(Theft of Public Money)

40. The allegations of paragraphs one (1) through seven (7) of this Indictment are hereby re-alleged and incorporated by reference as though fully set forth herein.



41. Beginning on or about January 1, 1997, the defendants IARA, MUBARAK HAMED, ALI BAGEGNI and others, entered into a series of written cooperative agreements with the United States Agency for International Development (USAID) for relief projects in Mali, Africa. The agreements were terminated by USAID on or about December 19, 1999. At the time of termination, the amount of money involved in the cooperative agreements totaled approximately \$2,000,000.00.

42. By the terms of each cooperative agreement, the defendant IARA could not co-mingle USAID program funds with other money and was required to separately track USAID contributions to the program. The defendant IARA opened special and exclusive accounts for each project which detailed the financial transactions related to the respective cooperative agreement. Additionally, the defendant IARA was obligated by the terms of the agreements to provide a specified percentage of matching funds, ranging from approximately 13% - 26% of USAID applied funds. The defendant IARA failed to fully fund the required percentage of matching contributions.

43. Subsequent to the termination of the agreements, the defendant IARA was authorized to request and expend USAID funds to pay for outstanding invoices obligated during the existence of the agreements and specifically related to projects authorized within the terms of the agreements.

44. After all outstanding invoices were satisfied, the defendants IARA, MUBARAK HAMED and ALI BAGEGNI, without authorization, retained



approximately \$84,922.00 of USAID money and failed to return the unexpended funds to USAID as called for by the terms and rules related to the agreements.

45. On or about January 14, 2004, the defendant IARA was included on a Senate Finance Committee list (hereinafter “the list”) targeting the activities of Section 501(c)(3) organizations suspected of being involved in supporting international terrorism.

46. In or about April 2004, the defendants IARA, MUBARAK HAMED, ALI BAGEGNI and others known and unknown to the Grand Jury, hired an individual to advocate for the defendant IARA’s removal from the list by gathering information and meeting with individuals and agencies of the United States Government.

47. On or about the dates, and in the approximate amounts, set forth below, the defendants IARA, MUBARAK HAMED, ALI BAGEGNI and others known and unknown to the Grand Jury, aided and abetted by each other, did knowingly and without authority, convert for their use and the use of another, money of USAID, a department or agency of the United States, that is, by providing payments derived from USAID funds to another in support of contracted efforts aimed at altering the defendant IARA’s status before the United States Senate Finance Committee:

<u>COUNT</u>	<u>DATE</u>	<u>APPROXIMATE AMOUNT</u>
25	05/27/04	\$ 25,000.00
26	08/26/04	\$ 12,500.00
27	08/26/04	\$ 12,500.00

In violation of Title 18, United States Code, Sections 641 and 2.



COUNT TWENTY-EIGHT
(Conspiracy to Commit Money Laundering)

48. The allegations of paragraphs one (1) through seven (7) and forty-one (41) through forty-six (46) of this Indictment are hereby re-alleged and incorporated by reference as though fully set forth herein.

49. The defendant ABDEL AZIM EL-SIDDIQ was a fundraiser for the defendant IARA and has been described by the organization as its vice-president for international operations. The defendant ABDEL AZIM EL-SIDDIQ had signatory authority on some of the defendant IARA's bank accounts.

50. Beginning in or about March 2004, and continuing through the date of this Indictment, in the Western District of Missouri, and elsewhere, the defendants IARA, MUBARAK HAMED, ALI BAGEGNI and ABDEL AZIM EL-SIDDIQ did conspire and agree with one another, and with others known and unknown to the Grand Jury, to knowingly conduct and attempt to conduct a financial transaction affecting interstate and foreign commerce, that is, the transfer and attempted transfer of funds which involved the proceeds of specified unlawful activity, that is, Theft of Public Money, as set forth in Counts Twenty-Five (25) through Twenty-Seven (27) of this Indictment, knowing that the transactions were designed in whole or in part to conceal and disguise the nature, source



and ownership of the proceeds, and that while conducting such financial transaction, knew that the funds represented the proceeds of some form of unlawful activity.

In violation of Title 18, United States Code, Section 1956(h).

COUNTS TWENTY-NINE through THIRTY-ONE
(Money Laundering)

51. The allegations of paragraphs one (1) through seven (7) and forty-one (41) through forty-six (46) of this Indictment are hereby re-alleged and incorporated by reference as though fully set forth herein.

52. On or about the dates, and in the approximate amounts, set forth below, in the Western District of Missouri, and elsewhere, the defendants IARA, MUBARAK HAMED, ALI BAGEGNI, ABDEL AZIM EL-SIDDIQ and others known and unknown to the Grand Jury, aided and abetted by each other, did knowingly conduct and attempt to conduct a financial transaction affecting interstate and foreign commerce, that is, the transfer and attempted transfer of funds which involved the proceeds of specified unlawful activity, that is, Theft of Public Money, as set forth in Counts Twenty-Five (25) through Twenty-Seven (27) of this Indictment, knowing that the transactions were designed in whole or in part to conceal and disguise the nature, source and ownership of the proceeds, and that while conducting such financial transaction, knew that the funds represented the proceeds of some form of unlawful activity:



<u>COUNT</u>	<u>DATE OF TRANSFER</u>	<u>APPROXIMATE AMOUNT</u>
29	06/30/04	\$ 18,337.00
30	09/07/04	\$ 23,000.00
31	11/16/04	\$ 1,350.00

In violation of Title 18, United States Code, Sections 1956 (a)(1)(B)(i) and 2.

COUNT THIRTY-TWO

(Corrupt Endeavor to Obstruct or Impede the Due Administration of
the Internal Revenue Laws)

General Allegations

53. The allegations of paragraphs one (1) through nine (9) and eleven (11) through nineteen (19) are hereby re-alleged and incorporated by reference as though fully set forth herein.

54. The Internal Revenue Service (hereinafter "IRS") is the federal agency whose mission it is to oversee the operation of organizations exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. In accomplishing this mission, the IRS primarily relies upon information reported annually by each tax-exempt organization on IRS Forms 990, Return of Organization Exempt from Income Tax, detailing the organization's income, expenses and activities during the calendar or tax year. Additionally, in determining an organization's entitlement to tax-exempt status, the IRS utilizes information provided by tax-exempt organizations in response to specific IRS inquiries, information provided by other federal and state agencies, and members of the public.



55. Beginning in or before June 1998, and continuing until on or about October 13, 2004, the defendants IARA and MUBARAK HAMED endeavored to obstruct and impede the due administration of the Internal Revenue laws, to wit: the IRS oversight of organizations exempt from income tax. The object of the defendants' endeavor was to use the defendant IARA's tax-exempt status to solicit funds, representing that they were legitimate charitable contributions, and to misuse part of those funds by transferring those funds to Iraq, a purpose prohibited by law, and for other purposes not in furtherance of the defendant IARA's purported charitable mission.

56. To continue to use IARA's tax-exempt status to raise funds, and to avoid IRS detection of their activities not in furtherance of their purported charitable mission, the defendants IARA and MUBARAK HAMED filed IRS Forms 990 which intentionally omitted their transactions with Iraq and failed to disclose relevant requested information regarding the control, history and affiliations of the defendant IARA, they made false public statements, and they made false statements to agents and officials of the United States Government.

Statutory Allegations

57. Beginning in or before June 1998, and continuing until on or about October 13, 2004, in the Western District of Missouri, and elsewhere, the defendants IARA and MUBARAK HAMED corruptly endeavored to obstruct and impede the due administration of the Internal Revenue laws by:



(a) From in or before June 1998 and continuing until on or about May 23, 2003, the defendants IARA and MUBARAK HAMED solicited donations through various means, including pamphlets, flyers, newsletters, and personal correspondence (hereinafter “solicitations”), improperly requesting contributions to pay for projects in Iraq. Most of these solicitations specifically referenced the defendant IARA’s tax-exempt status under Section 501(c)(3) of the Internal Revenue Code (Title 26, United States Code) by including the statement, “Make your tax-deductible donation to: IARA - USA,” or words to that effect. Additionally, the solicitations sometimes specifically referenced the tax identification number assigned to the defendant IARA by the IRS, which was 43-1439368;

(b) From in or before June 1998, and continuing until on or about May 23, 2003, the defendants IARA and MUBARAK HAMED improperly accepted monetary contributions specifically designated for projects in Iraq;

(c) From on or before June 1998, and continuing until on or about May 23, 2003, the defendants IARA and MUBARAK HAMED used funds received as charitable contributions to engage in the prohibited transactions with Iraq alleged in Counts Two (2) through Twelve (12) and Fourteen (14) through Twenty-Four (24) of this Indictment;

(d) On or about December 15, 2001, the defendants IARA and MUBARAK HAMED improperly diverted \$47,000.00, funded from charitable



contributions, for use as a contingency fund. The defendants attempted to conceal the diversion of the \$47,000.00 through the purchase of eleven (11) cashiers checks in the names of various IARA employees, without the knowledge or permission of those employees. The defendants then improperly disbursed \$20,000.00 of this fund to pay attorney fees and post bond for an individual identified by the initials A.M., concerning immigration charges;

(c) On or about the dates set forth below, the defendants IARA and MUBARAK HAMED filed IRS Forms 990, Return of Organization Exempt From Income Tax, for the calendar tax years set forth below:

<u>DATE FORM 990 FILED</u>	<u>CALENDAR TAX YEAR</u>
06/29/98	1997
08/10/99	1998
07/14/00	1999
05/22/01	2000
08/16/02	2001
08/14/03	2002
08/18/04	2003

Each of the IRS Forms 990 listed above was false and misleading in that:

(1) In Part III, Statement of Program Service Accomplishments, of each IRS Form 990 listed above, on which they were required to detail all of their



exempt purpose expenses, the defendants knowingly failed to disclose the fact that they provided funds for projects and persons in Iraq during each calendar year set forth above;

(2) Question 76 of each IRS Form 990 listed above asked: “Did the organization engage in any activity not previously reported to the IRS? If ‘Yes,’ attach a detailed description of each activity.” On each IRS Form 990 listed above, the defendants falsely answered “no” to question 76, and failed to disclose the improper and illegal activities set forth in this Count of the Indictment;

(3) Question 80a of each IRS Form 990 listed above asked: “Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?” On each IRS Form 990 listed above, the defendants falsely answered “no” to question 80a, and failed to disclose their relationships to the Islamic Relief Agency (ISRA), also known as the Islamic African Relief Agency, headquartered in Khartoum, Sudan, and to the ISRA branch office located in Amman, Jordan;

(f) On or about November 6, 2001, a person acting on behalf of the defendant IARA, engaged in a television interview via satellite transmission from Columbia, Missouri, to Atlanta, Georgia, wherein he falsely and publicly claimed that Ziyad Khaleel, a then publicly identified associate and procurement agent of Osama Bin



Laden, had never been an employee of the defendant IARA, when in fact, as the defendants then and there well knew and believed, he had been;

(g) On or about August 17, 2001, in response to two OFAC demands to furnish information regarding transactions with nations then subject to United States sanctions, the defendants IARA and MUBARAK HAMED sent a letter to OFAC that contained the following statement denying that the defendant IARA had violated the Iraqi sanctions: “Iraq: IARA-USA did not export merchandise to Iraq. None of our staff has paid an official visit to Iraq. IARA-USA is trying to help the Iraqi people outside Iraq.” The defendants then and there well knew and believed that this statement was false, misleading, and omitted material facts;

(h) On or about October 13, 2004, during an interview with agents of the IRS, the defendant MUBARAK HAMED falsely stated that he had applied for a job with the defendant IARA, and did not disclose that on or about April 18, 1990, the defendant MUBARAK HAMED had been transferred by the Islamic African Relief Agency, located in Khartoum, Sudan, to the defendant IARA’s office in Columbia, Missouri; and

(i) On or about October 13, 2004, during an interview with agents of the IRS, the defendants IARA and MUBARAK HAMED falsely stated that they had not transferred funds to Iraq while the sanctions were still in effect, and that funds were only used for Iraqi refugees located in Jordan. However, the defendants then and there well



knew and believed the statement was false, in that they had transferred funds to Iraq while the sanctions were in effect.

In violation of Title 26, United States Code, Section 7212(a).

COUNT THIRTY-THREE

(Forfeiture)

58. A defendant who is convicted of one or more of the money laundering or monetary transaction offenses in violation of Title 18, United States Code, Section 1956, alleged in Counts Thirteen (13) through Twenty-Four (24) and Twenty-Eight (28) through Thirty-One (31) of this Indictment, shall forfeit to the United States of America, all property, real and personal, involved in the money laundering and monetary transaction offenses, and all property traceable to such property, as well as all property used in any manner or part to commit or to facilitate the commission of those violations, including but not limited to the following:

(a) Defendants IARA, MUBARAK HAMED, ALI BAGEGNI, KHALID AL-SUDANEE and AHMAD MUSTAFA shall forfeit approximately \$1,375,712.00 in United States currency. That sum represents the sum of monies involved in the international financial transactions used to promote the carrying on of specified unlawful activity as set forth in Counts Thirteen (13) through Twenty-Four (24), for which the defendants are jointly and severally liable; and



(b) Defendants IARA, MUBARAK HAMED, ALI BAGEGNI and ABDEL AZIM EL-SIDDIQ shall forfeit approximately \$46,350.00 in United States currency. That sum represents the sum of monies involved in the financial transactions used to conceal the nature, source and ownership of the proceeds of specified unlawful activity as set forth in Counts Twenty-Eight (28) through Thirty-One (31), for which the defendants are jointly and severally liable.

59. By virtue of the commission of one or more of the felony offenses charged in Counts Thirteen (13) through Twenty-Four (24) and Twenty-Eight (28) through Thirty-One (31) of this Indictment by the defendants IARA, MUBARAK HAMED, ALI BAGEGNI, KHALID AL-SUDANEE and ABDEL AZIM EL-SIDDIQ, any and all interests which the defendants have in the above described sums are vested in the United States and are hereby forfeited to the United States pursuant to Title 18, United States Code, Section 982(a)(1).

60. In the event that any property, real or personal, involved in the offenses and described in Counts Thirteen (13) through Twenty-Four (24) and Twenty-Eight (28) through Thirty-One (31) of this Indictment, or any property traceable to such property, as a result of any act or omission of the defendants:

- (a) cannot be located upon exercise of due diligence;
- (b) has been transferred or sold to, or deposited with a third party;
- (c) has been placed beyond the jurisdiction of the court;



- (d) has been substantially diminished in value; or
- (e) has been co-mingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b)(1), to seek forfeiture of any other property of said defendants up to the value of the above property.

A TRUE BILL.

3/6/07

DATE

/s/Foreperson

FOREPERSON OF THE SPECIAL GRAND JURY

/s/Nathan F. Garrett

Nathan F. Garrett #46500
Assistant United States Attorney
Western District of Missouri

/s/Anthony P. Gonzalez

Anthony P. Gonzalez #29922
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/s/Nathan F. Garrett for Corey J. Smith

Corey J. Smith
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