

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

UNITED STATES OF AMERICA,	)	Case No. 07-00087-01/07-CR-W-NKL
)	
Plaintiff,	)	COUNT ONE:
	)	Defendants 1, 2, 3, 4, and 5
v.	)	18 U.S.C. § 371
	)	(Conspiracy to Violate the International
ISLAMIC AMERICAN RELIEF AGENCY,)	)	Emergency Economic Powers Act and the
a/k/a Islamic African Relief Agency-USA,	)	Iraqi Sanctions Regulations)
a/k/a IARA, (1))	
	)	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
AHMAD MUSTAFA, (4)	)	50 U.S.C. §§ 1701 – 1706
[DOB: XX/XX/1952],	)	18 U.S.C. § 2
	)	31 C.F.R. § 575.210
KHALID AL-SUDANEE, (5)	)	(Violations of the International Emergency
[DOB: XX/XX/1951],	)	Economic Powers Act and the Iraqi
	)	Sanctions Regulations)
ABDEL AZIM EL-SIDDIG, (6))	
a/k/a Abdel Azim El-Siddiq,	)	NMT 12 years imprisonment
[DOB: XX/XX/1957],	)	NMT \$1,000,000 fine
	)	NMT 3 years TSR
and	)	Class C Felony
)	
MARK DELI SILJANDER, (7)	)	COUNT THIRTEEN:
[DOB: XX/XX/1951],	)	Defendants 1, 2, 3, 4, and 5
	)	18 U.S.C. § 1956(h)
Defendants.	)	(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, 6, and 7**
) **18 U.S.C. § 1956(b)**
) **(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, 6, and 7**
) **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:**
) **Defendant 7**
) **18 U.S.C. §§ 1503(a) and 1512(i)**
) **(Obstruction of Justice)**
)
) **NMT 10 years imprisonment**
) **NMT \$250,000 fine**
) **NMT 3 years TSR**
) **Class C Felony**
)
) **COUNT THIRTY-THREE:**
) **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**

-) **COUNTS THIRTY-FOUR through**
-) **FORTY-ONE:**
-) **Defendants 1 and 2**
-) **50 U.S.C. §§ 1701 – 1706**
-) **18 U.S.C. § 2**
-) **31 C.F.R. § 594.204**
-) (Violations of the International Emergency
-) Economic Powers Act and the Terrorism
-) Sanctions Regulations)
-)
-) NMT 10 years imprisonment
-) NMT \$50,000 fine
-) NMT 3 years TSR
-) Class C Felony
-)
-) \$100 Special Assessment on Each Count
-)
-) **COUNT FORTY-TWO:**
-) **All Defendants**
-) **18 U.S.C. §§ 982(a)(1) and (b)(1)**
-) (Forfeiture)

Summary of Charges:

DEFENDANT	COUNTS
ISLAMIC AMERICAN RELIEF AGENCY, (1)	1 - 31, and 33-42
MUBARAK HAMED, (2)	1 - 31, and 33-42
ALI MOHAMED BAGEGNI, (3)	1 - 31, and 42
AHMAD MUSTAFA, (4)	1, 13, and 42
KHALID AL-SUDANEE, (5)	1 - 24, and 42
ABDEL AZIM EL-SIDDIG, (6) a/k/a Abdel Azim El-Siddiq	28-31, and 42
MARK DELI SILJANDER, (7)	28-32, and 42

FIRST SUPERSEDING INDICTMENT

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), "[t]he 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 described it as "Islamic African Relief Agency United States Affiliate" and included 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 communication 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 communication 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, and Peshawar, Pakistan.

9. ISRA was the international identity of the Islamic African Relief Agency headquartered in Khartoum, Sudan. ISRA’s publications and correspondence confirmed 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 had the authority to deal with unusual or extraordinary threats to the national security and

foreign policy of the United States. This authority included 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 were issued through Executive Orders which had 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 MOHAMED 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 was 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 use in 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 MOHAMED 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 MOHAMED 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 use in Iraq, the defendants, as set forth in paragraph twenty (20), 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 use in Iraq, the defendants, as set forth in paragraph twenty (20), 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 for use in Iraq, the defendants, as set forth in paragraph twenty (20), maintained internal accounting classifications which detailed the nature and amount of contributions being made for use in Iraq.

25. During the course and in furtherance of the conspiracy, the defendants IARA, MUBARAK HAMED, ALI MOHAMED BAGEGNI and AHMAD MUSTAFA 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 MOHAMED 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 as set forth in paragraph twenty (20), 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 including defendant ALI MOHAMED BAGEGNI, reviewed and approved the defendant IARA's annual reports which described the defendant IARA's activities in Iraq. The annual reports and other literature were sent out in order to solicit and encourage 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 or not the defendant IARA was conducting or engaging in any transactions within Iraq, 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 MOHAMED 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 MOHAMED 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
12	01/29/98	\$ 50,000.00

<u>OVERT ACTS</u>	<u>DATE OF TRANSFER</u>	<u>APPROXIMATE AMOUNT</u>
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

All 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 the Iraqi Sanctions Regulations)

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 MOHAMED 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

All 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

