



**REGISTERED MAIL**

**AUG 20 2013**

ISNA Development Foundation  
c/o Mr. Shameem Mohammed  
2200 South Sheridan Way  
Mississauga, Ontario  
L5J 2M4

Attention: Mr. Shameem Mohammed

BN: 863919262RR0001

File No: 3024774

Subject: **Notice of Intention to Revoke  
ISNA Development Foundation**

Dear Mr. Mohammed:

I am writing further to our Administrative Fairness letter (AFL) dated May 28, 2013 (copy enclosed), in which you were invited to submit representations as to why the registration of ISNA Development Foundation (the Organization) should not be revoked in accordance with subsection 168(1) of the *Income Tax Act*.

We have carefully reviewed and considered the written submission made by you in your letter dated June 26, 2013. We note that the Organization did not dispute the CRA's findings, and rather than addressing our concerns regarding its non-compliance with the Act, the Organization highlighted its cooperation during the audit process, and reiterated its ignorance of the conduct of its former director and employee, whom it held responsible for the non-compliance. The Organization's statement that it has "taken necessary steps to streamline day-to-day operations of the organization to ensure that past mistakes will never happen", without providing supporting documentation, is not sufficient to demonstrate compliance with the Act. Consequently, it is our view that the representations do not provide sufficient reason why the Organization's status as a registered charity should not be revoked.

**Conclusion:**

On the basis of our audit, we have concluded that the Organization has: ceased to comply with the requirements of the Act for its continued registration; failed to comply with or contravened any of sections 230 to 231.5 of the Act; issued a receipt for a gift or

donation otherwise than in accordance with the Act and its Regulations; and failed to file an information return as required under the Act.

Our analysis of the information obtained during the course of the audit has led the CRA to believe that the Organization had entered into a funding arrangement with the Kashmiri Canadian Council/Kashmiri Relief Fund of Canada (KCC/KRFC), non-qualified donees under the Act, with the ultimate goal of sending the raised funds to a Pakistan-based non-governmental organization named the Relief Organization for Kashmiri Muslims (ROKM) without maintaining direction and control. Under the arrangement, KCC/KRFC raised funds for "relief work" in Kashmir, and the Organization supplied official donation receipts to the donors and disbursed over \$281,696 to ROKM, either directly, or via KCC/KRFC.

Our research indicates that ROKM is the charitable arm of Jamaat-e-Islami, a political organization that actively contests the legitimacy of India's governance over the state of Jammu and Kashmir, including reportedly through the activities of its armed wing Hizbul Mujahideen. Hizbul Mujahideen is listed as a terrorist entity by the Council of the European Union and is declared a banned terrorist organization by the Government of India, Ministry of Home Affairs, under the *Unlawful Activities (Prevention) Act of 1967*.

Given the commonalities in directorship between ROKM and Jamaat-e-Islami, concerns exist that the Organization's resources may have been used to support the political efforts of Jamaat-e-Islami and/or its armed wing, Hizbul Mujahideen.

Consequently, and for each of the reasons set out in our letter of May 28, 2013, I wish to advise you that, pursuant to subsection 168(1) of the Act, I propose to revoke the registration of the Organization. By virtue of subsection 168(2) of the Act, revocation will be effective on the date of publication of the following notice in the *Canada Gazette*:

*Notice is hereby given, pursuant to paragraphs 168(1)(b), (c), (d), and (e) of the Income Tax Act, that I propose to revoke the registration of the organization listed below and that the revocation of registration is effective on the date of publication of this notice.*

<b><i>Business Number</i></b>	<b><i>Name</i></b>
863919262RR0001	ISNA Development Foundation

Should you wish to object to this notice of intention to revoke the Organization's registration in accordance with subsection 168(4) of the Act, a written Notice of Objection, which includes the reasons for objection and all relevant facts, must be filed within **90 days** from the day this letter was mailed. The Notice of Objection should be sent to:

Assistant Commissioner  
Appeals Branch  
Canada Revenue Agency  
250 Albert Street  
Ottawa ON K1A 0L5

A copy of the revocation notice, described above, will be published in the *Canada Gazette* after the expiration of 30 days from the date this letter was mailed. The Organization's registration will be revoked on the date of publication, unless the Canada Revenue Agency receives an order, **within the next 30 days**, from the Federal Court of Appeal issued under paragraph 168(2)(b) of the Act extending that period.

Please note that the Organization must obtain a stay if it wishes to suspend the revocation process, notwithstanding the fact that it may have filed a Notice of Objection.


### **Consequences of Revocation**

As of the effective date of revocation:

- a) the Organization will no longer be exempt from Part I tax as a registered charity and will no longer be permitted to issue official donation receipts. This means that gifts made to the Organization would not be allowable as tax credits to individual donors or as allowable deductions to corporate donors under subsection 118.1(3), or paragraph 110.1(1)(a), of the Act, respectively;
- b) by virtue of section 188 of the Act, the Organization may be required to pay a tax within one year from the date of the Notice of Intention to Revoke. This revocation tax is calculated on prescribed form T-2046, *Tax Return Where Registration of a Charity is Revoked* (the Return). The Return must be filed, and the tax paid, on or before the day that is one year from the date of the Notice of Intention to Revoke. A copy of the relevant provisions of the Act concerning revocation of registration, the tax applicable to revoked charities, and appeals against revocation, can be found in the attached Appendix A. Form T-2046 and the related Guide RC4424, *Completing the Tax Return Where Registration of a Charity is Revoked*, are available on our website at [www.cra-arc.gc.ca/chrts-gvng/chrts/formspubs/tpctyp-eng.html](http://www.cra-arc.gc.ca/chrts-gvng/chrts/formspubs/tpctyp-eng.html); and
- c) the Organization will no longer qualify as a charity for purposes of subsection 123(1) of the *Excise Tax Act* (ETA). As a result, the Organization may be subject to obligations and entitlements under the ETA that apply to organizations other than registered charities. If you have any questions about your GST/HST obligations and entitlements, please call GST/HST Rulings at 1-888-830-7747 (Quebec) or 1-800-959-8287 (rest of Canada).

Finally, I wish to advise that subsection 150(1) of the Act requires that every corporation (other than a corporation that was a registered charity throughout the year) file a *Return of Income* with the Minister in the prescribed form, containing prescribed information, for each taxation year. The *Return of Income* must be filed without notice or demand.

Yours sincerely,



Cathy Hawara  
Director General  
Charities Directorate

Attachments:

- Appendix A - Relevant Provisions of the Act
- CRA letter dated May 28, 2013

**RELEVANT PROVISIONS OF THE ACT**

**Section 149.1: Charities**

**149.1(2) Revocation of registration of charitable organization**

The Minister may, in the manner described in section 168, revoke the registration of a charitable organization for any reason described in subsection 168(1) or where the organization

- (a) carries on a business that is not a related business of that charity; or
- (b) fails to expend in any taxation year, on charitable activities carried on by it and by way of gifts made by it to qualified donees, amounts the total of which is at least equal to the organization's disbursement quota for that year.

**149.1(4.1) Revocation of registration of registered charity**

The Minister may, in the manner described in section 168, revoke the registration

- (a) of a registered charity, if it has entered into a transaction (including a gift to another registered charity) and it may reasonably be considered that a purpose of the transaction was to avoid or unduly delay the expenditure of amounts on charitable activities;
- (b) of a registered charity, if it may reasonably be considered that a purpose of entering into a transaction (including the acceptance of a gift) with another registered charity to which paragraph (a) applies was to assist the other registered charity in avoiding or unduly delaying the expenditure of amounts on charitable activities;
- (c) of a registered charity, if a false statement, within the meaning assigned by subsection 163.2(1), was made in circumstances amounting to culpable conduct, within the meaning assigned by that subsection, in the furnishing of information for the purpose of obtaining registration of the charity;
- (d) of a registered charity, if it has in a taxation year received a gift of property (other than a designated gift) from another registered charity with which it does not deal at arm's length and it has expended, before the end of the next taxation year, in addition to its disbursement quota for each of those taxation years, an amount that is less than the fair market value of the property, on charitable activities carried on by it or by way of gifts made to qualified donees with which it deals at arm's length; and
- (e) of a registered charity, if an ineligible individual is a director, trustee, officer or like official of the charity, or controls or manages the charity, directly or indirectly, in any manner whatever.

**Section 168: Revocation of Registration of Certain Organizations and Associations**

**Section 168(1): Notice of intention to revoke registration**

The Minister may, by registered mail, give notice to a person described in any of paragraphs (a) to (c) of the definition "qualified donee" in subsection 149.1(1) that the Minister proposes to revoke its registration if the person

- (a) applies to the Minister in writing for revocation of its registration;
- (b) ceases to comply with the requirements of this Act for its registration;

- (c) in the case of a registered charity or registered Canadian amateur athletic association, fails to file an information return as and when required under this Act or a regulation;
- (d) issues a receipt for a gift otherwise than in accordance with this Act and the regulations or that contains false information;
- (e) fails to comply with or contravenes any of sections 230 to 231.5; or
- (f) in the case of a registered Canadian amateur athletic association, accepts a gift the granting of which was expressly or implicitly conditional on the association making a gift to another person, club, society or association.

#### **168(2) Revocation of Registration**

Where the Minister gives notice under subsection (1) to a registered charity or to a registered Canadian amateur athletic association,

- (a) if the charity or association has applied to the Minister in writing for the revocation of its registration, the Minister shall, forthwith after the mailing of the notice, publish a copy of the notice in the *Canada Gazette*, and
- (b) in any other case, the Minister may, after the expiration of 30 days from the day of mailing of the notice, or after the expiration of such extended period from the day of mailing of the notice as the Federal Court of Appeal or a judge of that Court, on application made at any time before the determination of any appeal pursuant to subsection 172(3) from the giving of the notice, may fix or allow, publish a copy of the notice in the *Canada Gazette*, and on that publication of a copy of the notice, the registration of the charity or association is revoked.

#### **168(4) Objection to proposal or designation**

A person may, on or before the day that is 90 days after the day on which the notice was mailed, serve on the Minister a written notice of objection in the manner authorized by the Minister, setting out the reasons for the objection and all the relevant facts, and the provisions of subsections 165(1), (1.1) and (3) to (7) and sections 166, 166.1 and 166.2 apply, with any modifications that the circumstances require, as if the notice were a notice of assessment made under section 152, if

- (a) in the case of a person that is or was registered as a registered charity or is an applicant for such registration, it objects to a notice under any of subsections (1) and 149.1(2) to (4.1), (6.3), (22) and (23);
- (b) in the case of a person that is or was registered as a registered Canadian amateur athletic association or is an applicant for such registration, it objects to a notice under any of subsections (1) and 149.1(4.2) and (22); or
- (c) in the case of a person described in any of subparagraphs (a)(i) to (v) of the definition "qualified donee" in subsection 149.1(1), that is or was registered by the Minister as a qualified donee or is an applicant for such registration, it objects to a notice under any of subsections (1) and 149.1(4.3) and (22).

## **Section 172: Appeal from refusal to register, revocation of registration, etc.**

### **172(3) Appeal from refusal to register, revocation of registration, etc.**

Where the Minister

- (a) confirms a proposal or decision in respect of which a notice was issued under any of subsections 149.1(4.2) and (22) and 168(1) by the Minister, to a person that is or was registered as a registered Canadian amateur athletic association or is an applicant for registration as a registered Canadian amateur athletic association, or does not confirm or vacate that proposal or decision within 90 days after service of a notice of objection by the person under subsection 168(4) in respect of that proposal or decision,
- (a.1) confirms a proposal, decision or designation in respect of which a notice was issued by the Minister to a person that is or was registered as a registered charity, or is an applicant for registration as a registered charity, under any of subsections 149.1(2) to (4.1), (6.3), (22) and (23) and 168(1), or does not confirm or vacate that proposal, decision or designation within 90 days after service of a notice of objection by the person under subsection 168(4) in respect of that proposal, decision or designation,
- (a.2) confirms a proposal or decision in respect of which a notice was issued under any of subsections 149.1(4.3), (22) and 168(1) by the Minister, to a person that is a person described in any of subparagraphs (a)(i) to (v) of the definition "qualified donee" in subsection 149.1(1) that is or was registered by the Minister as a qualified donee or is an applicant for such registration, or does not confirm or vacate that proposal or decision within 90 days after service of a notice of objection by the person under subsection 168(4) in respect of that proposal or decision,
- (b) refuses to accept for registration for the purposes of this Act any retirement savings plan,
- (c) refuses to accept for registration for the purposes of this Act any profit sharing plan or revokes the registration of such a plan,
- (d) [Repealed]
- (e) refuses to accept for registration for the purposes of this Act an education savings plan,
- (e.1) sends notice under subsection 146.1(12.1) to a promoter that the Minister proposes to revoke the registration of an education savings plan,
- (f) refuses to register for the purposes of this Act any pension plan or gives notice under subsection 147.1(11) to the administrator of a registered pension plan that the Minister proposes to revoke its registration,
- (f.1) refuses to accept an amendment to a registered pension plan, or
- (g) refuses to accept for registration for the purposes of this Act any retirement income fund, the person in a case described in paragraph (a), (a.1) or (a.2), the applicant in a case described in paragraph (b), (e) or (g), a trustee under the plan or an employer of employees who are beneficiaries under the plan, in a case described in paragraph (c), the promoter in a case described in paragraph (e.1), or the administrator of the plan or an employer who participates in the plan, in a case described in paragraph (f) or (f.1), may appeal from the Minister's decision, or from the giving of the notice by the Minister, to the Federal Court of Appeal.

## **Section 180: Appeals to Federal Court of Appeal**

### **180(1) Appeals to Federal Court of Appeal**

An appeal to the Federal Court of Appeal pursuant to subsection 172(3) may be instituted by filing a notice of appeal in the Court within 30 days from

- (a) the day on which the Minister notifies a person under subsection 165(3) of the Minister's action in respect of a notice of objection filed under subsection 168(4),
- (b) [Repealed]
- (c) the mailing of notice to the administrator of the registered pension plan under subsection 147.1(11),
- (c.1) the sending of a notice to a promoter of a registered education savings plan under subsection 146.1(12.1), or
- (d) the time the decision of the Minister to refuse the application for acceptance of the amendment to the registered pension plan was mailed, or otherwise communicated in writing, by the Minister to any person,

as the case may be, or within such further time as the Court of Appeal or a judge thereof may, either before or after the expiration of those 30 days, fix or allow.

## **Section 188: Revocation tax**

### **188(1) Deemed year-end on notice of revocation**

If on a particular day the Minister issues a notice of intention to revoke the registration of a taxpayer as a registered charity under any of subsections 149.1(2) to (4.1) and 168(1) or it is determined, under subsection 7(1) of the *Charities Registration (Security Information) Act*, that a certificate served in respect of the charity under subsection 5(1) of that Act is reasonable on the basis of information and evidence available,

- (a) the taxation year of the charity that would otherwise have included that day is deemed to end at the end of that day;
- (b) a new taxation year of the charity is deemed to begin immediately after that day; and
- (c) for the purpose of determining the charity's fiscal period after that day, the charity is deemed not to have established a fiscal period before that day.

### **188(1.1) Revocation tax**

A charity referred to in subsection (1) is liable to a tax, for its taxation year that is deemed to have ended, equal to the amount determined by the formula

$$A - B$$

where

A is the total of all amounts, each of which is

- (a) the fair market value of a property of the charity at the end of that taxation year,
- (b) the amount of an appropriation (within the meaning assigned by subsection (2) in respect of a property transferred to another person in the 120-day period that ended at the end of that taxation year, or



- (c) the income of the charity for its winding-up period, including gifts received by the charity in that period from any source and any income that would be computed under section 3 as if that period were a taxation year; and

B is the total of all amounts (other than the amount of an expenditure in respect of which a deduction has been made in computing income for the winding-up period under paragraph (c) of the description of A, each of which is

- (a) a debt of the charity that is outstanding at the end of that taxation year,
- (b) an expenditure made by the charity during the winding-up period on charitable activities carried on by it, or
- (c) an amount in respect of a property transferred by the charity during the winding-up period and not later than the latter of one year from the end of the taxation year and the day, if any, referred to in paragraph (1.2)(c) to a person that was at the time of the transfer an eligible donee in respect of the charity, equal to the amount, if any, by which the fair market value of the property, when transferred, exceeds the consideration given by the person for the transfer.

### **188(1.2) Winding-up period**

In this Part, the winding-up period of a charity is the period, that begins immediately after the day on which the Minister issues a notice of intention to revoke the registration of a taxpayer as a registered charity under any of subsections 149.1(2) to (4.1) and 168(1) (or, if earlier, immediately after the day on which it is determined, under subsection 7(1) of the *Charities Registration (Security Information) Act*, that a certificate served in respect of the charity under subsection 5(1) of that Act is reasonable on the basis of information and evidence available), and that ends on the day that is the latest of

- (a) the day, if any, on which the charity files a return under subsection 189(6.1) for the taxation year deemed by subsection (1) to have ended, but not later than the day on which the charity is required to file that return,
- (b) the day on which the Minister last issues a notice of assessment of tax payable under subsection (1.1) for that taxation year by the charity, and
- (c) if the charity has filed a notice of objection or appeal in respect of that assessment, the day on which the Minister may take a collection action under section 225.1 in respect of that tax payable.

### **188(1.3) Eligible donee**

In this Part, an eligible donee in respect of a particular charity is a registered charity

- (a) of which more than 50% of the members of the board of directors or trustees of the registered charity deal at arm's length with each member of the board of directors or trustees of the particular charity;
- (b) that is not the subject of a suspension under subsection 188.2(1);
- (c) that has no unpaid liabilities under this Act or under the *Excise Tax Act*;
- (d) that has filed all information returns required by subsection 149.1(14); and
- (e) that is not the subject of a certificate under subsection 5(1) of the *Charities Registration (Security Information) Act* or, if it is the subject of such a certificate, the certificate has been determined under subsection 7(1) of that Act not to be reasonable.

**188(2) Shared liability — revocation tax**

A person who, after the time that is 120 days before the end of the taxation year of a charity that is deemed by subsection (1) to have ended, receives property from the charity, is jointly and severally, or solidarily, liable with the charity for the tax payable under subsection (1.1) by the charity for that taxation year for an amount not exceeding the total of all appropriations, each of which is the amount by which the fair market value of such a property at the time it was so received by the person exceeds the consideration given by the person in respect of the property.

**188(2.1) Non-application of revocation tax**

Subsections (1) and (1.1) do not apply to a charity in respect of a notice of intention to revoke given under any of subsections 149.1(2) to (4.1) and 168(1) if the Minister abandons the intention and so notifies the charity or if

- (a) within the one-year period that begins immediately after the taxation year of the charity otherwise deemed by subsection (1) to have ended, the Minister has registered the charity as a charitable organization, private foundation or public foundation; and
- (b) the charity has, before the time that the Minister has so registered the charity,
  - (i) paid all amounts, each of which is an amount for which the charity is liable under this Act (other than subsection (1.1)) or the *Excise Tax Act* in respect of taxes, penalties and interest, and
  - (ii) filed all information returns required by or under this Act to be filed on or before that time.

**188(3) Transfer of property tax**

Where, as a result of a transaction or series of transactions, property owned by a registered charity that is a charitable foundation and having a net value greater than 50% of the net asset amount of the charitable foundation immediately before the transaction or series of transactions, as the case may be, is transferred before the end of a taxation year, directly or indirectly, to one or more charitable organizations and it may reasonably be considered that the main purpose of the transfer is to effect a reduction in the disbursement quota of the foundation, the foundation shall pay a tax under this Part for the year equal to the amount by which 25% of the net value of that property determined as of the day of its transfer exceeds the total of all amounts each of which is its tax payable under this subsection for a preceding taxation year in respect of the transaction or series of transactions.

**188(3.1) Non-application of subsection (3)**

Subsection (3) does not apply to a transfer that is a gift to which subsection 188.1(11) or (12) applies.

**188(4) Transfer of property tax**

Where property has been transferred to a charitable organization in circumstances described in subsection (3) and it may reasonably be considered that the organization acted in concert with a charitable foundation for the purpose of reducing the disbursement quota of the foundation, the organization is jointly and severally liable with the foundation for the tax imposed on the foundation by that subsection in an amount not exceeding the net value of the property.

### **188(5) Definitions**

In this section,

“net asset amount” of a charitable foundation at any time means the amount determined by the formula

$$A - B$$

where

A is the fair market value at that time of all the property owned by the foundation at that time, and

B is the total of all amounts each of which is the amount of a debt owing by or any other obligation of the foundation at that time;

“net value” of property owned by a charitable foundation, as of the day of its transfer, means the amount determined by the formula

$$A - B$$

where

A is the fair market value of the property on that day, and

B is the amount of any consideration given to the foundation for the transfer.

### **Section 189**

#### **189(6) Taxpayer to file return and pay tax**

Every taxpayer who is liable to pay tax under this Part (except a charity that is liable to pay tax under section 188(1)) for a taxation year shall, on or before the day on or before which the taxpayer is, or would be if tax were payable by the taxpayer under Part I for the year, required to file a return of income or an information return under Part I for the year,

- (a) file with the Minister a return for the year in prescribed form and containing prescribed information, without notice or demand therefor;
- (b) estimate in the return the amount of tax payable by the taxpayer under this Part for the year; and
- (c) pay to the Receiver General the amount of tax payable by the taxpayer under this Part for the year.

#### **189(6.1) Revoked charity to file returns**

Every taxpayer who is liable to pay tax under subsection 188(1.1) for a taxation year shall, on or before the day that is one year from the end of the taxation year, and without notice or demand,

- (a) file with the Minister
  - (i) a return for the taxation year, in prescribed form and containing prescribed information, and
  - (ii) both an information return and a public information return for the taxation year, each in the form prescribed for the purpose of subsection 149.1(14); and
- (b) estimate in the return referred to in subparagraph (a)(i) the amount of tax payable by the taxpayer under subsection 188(1.1) for the taxation year; and

- (c) pay to the Receiver General the amount of tax payable by the taxpayer under subsection 188(1.1) for the taxation year.

**189 (6.2) Reduction of revocation tax liability**

If the Minister has, during the one-year period beginning immediately after the end of a taxation year of a person, assessed the person in respect of the person's liability for tax under subsection 188(1.1) for that taxation year, has not after that period reassessed the tax liability of the person, and that liability exceeds \$1,000, that liability is, at any particular time, reduced by the total of

- (a) the amount, if any, by which
- (i) the total of all amounts, each of which is an expenditure made by the charity, on charitable activities carried on by it, before the particular time and during the period (referred to in this subsection as the "post-assessment period") that begins immediately after a notice of the latest such assessment was sent and ends at the end of the one-year period exceeds
  - (ii) the income of the charity for the post-assessment period, including gifts received by the charity in that period from any source and any income that would be computed under section 3 if that period were a taxation year, and
- (b) all amounts, each of which is an amount, in respect of a property transferred by the charity before the particular time and during the post-assessment period to a person that was at the time of the transfer an eligible donee in respect of the charity, equal to the amount, if any, by which the fair market value of the property, when transferred, exceeds the consideration given by the person for the transfer.

**189(6.3) Reduction of liability for penalties**

If the Minister has assessed a particular person in respect of the particular person's liability for penalties under section 188.1 for a taxation year, and that liability exceeds \$1,000, that liability is, at any particular time, reduced by the total of all amounts, each of which is an amount, in respect of a property transferred by the particular person after the day on which the Minister first assessed that liability and before the particular time to another person that was at the time of the transfer an eligible donee in respect of the particular person, equal to the amount, if any, by which the fair market value of the property, when transferred, exceeds the total of

- (a) the consideration given by the other person for the transfer, and
- (b) the part of the amount in respect of the transfer that has resulted in a reduction of an amount otherwise payable under subsection 188(1.1).

**189 (7) Minister may assess**

Without limiting the authority of the Minister to revoke the registration of a registered charity or registered Canadian amateur athletic association, the Minister may also at any time assess a taxpayer in respect of any amount that a taxpayer is liable to pay under this Part.



**REGISTERED MAIL**

ISNA Development Foundation (IDF)  
c/o Mr. Shameem Mohammed  
2200 South Sheridan Way  
Mississauga, Ontario  
L5J 2M4

BN: 863919262RR0001  
File No: 3024774

May 28, 2013

**Re: Audit of ISNA Development Foundation**

Dear Mr. Mohammed:

This letter is further to our audit of the books and records of ISNA Development Foundation (IDF) by the Canada Revenue Agency (CRA). The audit related to the operations of IDF for the period from January 1, 2007, to December 31, 2009, inclusively. A review of IDF's Registered Charity Information Returns for 2010 and 2011 has also been conducted with respect to the transfer of funds to the Relief Organization for Kashmiri Muslims.

We have now completed our review of the books and records and have identified specific areas of non-compliance with core requirements of the *Income Tax Act* (Act) and its Regulations for maintaining charitable status in the following areas:

AREAS OF NON-COMPLIANCE		
Section	Issue	Reference
1	Ceased to comply with the requirements of the Act for its continued registration	149.1(1), 168(1)(b)
2	Failed to comply with or contravened any of sections 230 to 231.5 of the Act	230(2), 168(1)(e)
3	Issued a receipt for a gift or donation otherwise than in accordance with the Act and its Regulations	168(1)(d), Regulations 3500 and 3501
4	Failed to file an information return as required under the Act	149.1(14), 168(1)(c)

The purpose of this letter is to describe the areas of non-compliance identified during the audit as they relate to the legislative provisions applicable to registered charities in order to provide IDF with an opportunity to respond to our concerns; provide any additional information regarding the issues outlined in this letter; and submit a written representation, accompanied by any relevant documentation, as to why IDF's status as a registered charity should not be revoked.

**1. Ceased to comply with the requirements of the Act for its continued registration**  
**(Paragraph 168(1)(b) of the Act)**

IDF was registered by the CRA in June 2005 as a charitable organization. Subsection 149.1(1) of the Act requires that a charitable organization devote all of its resources to “charitable activities carried on by the organization itself.” Generally speaking, in order to maintain charitable registration, an organization must demonstrate that it is constituted exclusively for charitable objects, and that it devotes its resources to its own charitable activities carried on in furtherance thereof.<sup>1</sup>

As outlined by the Supreme Court of Canada in *Vancouver Society of Immigrant and Visible Minority Women v. Minister of National Revenue (Vancouver Society)*, the determination as to whether an organization qualifies as a charity under the Act is, in essence, a two-part test:

1. the objects of the organization must be exclusively and legally charitable under common law, and must define the scope of the activities engaged in by the organization;<sup>2</sup> and
2. all of the organization’s resources must be devoted to these activities.<sup>3</sup>

The requirement that a charity’s objects be exclusively charitable was described in *Vancouver Society* as follows:

*It is not sufficient that the society should be instituted “mainly” or “primarily” or “chiefly” for the purposes of science, literature or the fine arts. It must be instituted “exclusively” for those purposes. The only qualification – which, indeed, is not really a qualification at all – is that other purposes which are merely incidental to the purposes of science and literature or the fine arts, that is, merely a means to the fulfillment of those purposes, do not deprive a society of the exemption. Once however, the other purposes cease to be merely incidental but become collateral; that is, cease to be a means to an end, but become an end in themselves; that is, become additional purposes of the society; then, whether they be main or subsidiary, whether they exist jointly with or separately from the purposes of science, literature or the fine arts, the society cannot claim the exemption.<sup>4</sup>*

<sup>1</sup> *Vancouver Society of Immigrant and Visible Minority Women v. Minister of National Revenue (Vancouver Society)*, [1999] 1 S.C.R. 10, at paras. 155-159.

<sup>2</sup> The *Income Tax Act* does not define what is charitable. See subsection 248(1) “registered charity”; subsection 149.1(1) “charitable foundation”, “charitable organization”, “private foundation”, and “public foundation.” These definitions use the term charitable but do not define it (i.e. charitable foundations are to be “constituted and operated exclusively for charitable purposes” and charitable organizations’ resources must be “devoted to charitable activities.”). The single exception is subsection 149.1(1) which defines charitable purposes/objects as including “the disbursement of funds to qualified donees”. The CRA must therefore rely on the common law definition, which sets out four broad categories, or “heads” of charity: relief of poverty (first category); advancement of education (second category); advancement of religion (third category); and certain other purposes beneficial to the community in a way the law regards as charitable (fourth category). The four broad charitable object categories were outlined by Lord Macnaghten in *Commissioners for Special Purposes of the Income Tax v. Pemsel*, [1891] A.C. 531 (P.C.) (*Pemsel*). The classification approach was first explicitly approved of by the Supreme Court of Canada in *Guaranty Trust Co. of Canada v. Minister of National Revenue*, [1967] S.C.R. 133, and confirmed in *Vancouver Society*, *ibid* note 1.

<sup>3</sup> *Vancouver Society*, *ibid* note 1, para. 158. The only qualification relates to other objects that are merely incidental to charitable objects - better construed as activities in direct furtherance of a charitable object. The organization will not fail to qualify as charitable because it describes an activity as an object.

<sup>4</sup> *Vancouver Society*, *ibid* note 1, at para. 156, where Mr. Justice Iacobucci, speaking for the majority, cited with approval the comments of Denning L.J. in *British Launderers’ Research Association v. Borough of Hendon Rating Authority*, [1949] 1 K.B.

With respect to activities, the Supreme Court has indicated that it is the object in furtherance of which an activity is carried out, and not only the character of the activity itself, that determines whether or not it is of a charitable nature. A charitable activity is one that directly furthers a charitable object<sup>5</sup> – meaning that there is a clear relationship and link between the activity and the object it purports to further. The question of whether an organization is constituted exclusively for charitable objects, therefore, cannot be determined solely by reference to its stated objects, but must take into account the activities in which the organization currently engages.<sup>6</sup>

In addition, for an organization to be considered charitable under the Act, it must be found to operate for public benefit. The determination of the public benefit requirement also involves the application of a two-part test:

1. The first part of the test generally requires that a tangible or objectively measurable and socially useful benefit be conferred, directly or indirectly.<sup>7</sup>
2. The second part of the test requires that the benefit be delivered to the public, or to a sufficient section of the public.<sup>8</sup>

Finally, subsection 149.1(1) of the Act requires that a registered charity devote all of its resources to charitable activities carried on by the organization itself. A registered charity, therefore, can only use its resources (for example, funds, personnel, and property) in two ways, whether inside or outside Canada:

1. on activities undertaken by the organization itself, that is to say, on its own activities (those which are directly under the charity's control and supervision and for which it is able to render itself fully accountable for the funds expended); and
2. on gifts to qualified donees.<sup>9</sup>

To summarize, the CRA must be satisfied that a registered charity's objects are exclusively charitable at law, that there is a clear relationship and link between the activities and the objects, and that the activities themselves do not fall outside the bounds of what can be considered charitable in the legal sense.

---

462, as applied by the Supreme Court of Canada in *Guaranty Trust Co. of Canada v. Minister of National Revenue*, [1967] S.C.R. 133.

<sup>5</sup> *Vancouver Society*, *ibid* note 1, at paras. 152 and 154.

<sup>6</sup> *Vancouver Society*, *ibid* note 1, at para. 194. See also *A.Y.S.A. Amateur Youth Soccer Association v. Canada (Revenue Agency)* [2007] 3 S.C.R. 217 at para. 42, where the Supreme Court of Canada stated that the CRA is "...entitled and indeed obliged to look at the substance of the purposes and activities of an applicant for registered charity status."

<sup>7</sup> See generally, *Vancouver Society* *ibid* note 1, at para. 41, and *Gilmour v. Coats et al*, [1949] 1 All E.R. 848.

<sup>8</sup> See CRA's Policy Statement CPS-024, *Guidelines for Registering a Charity: Meeting the Public Benefit Test*, for further information.

<sup>9</sup> The term qualified donee is defined in subsection 149.1(1) of the Act. See also *Charity Connection* No. 11 - January 2012 - Special Edition: Budget 2011. <http://www.cra-arc.gc.ca/chrts-gvng/chrts/cmmnctn/nwsltr/cnctn/cnctn11-eng.html>. Under the Act, a qualified donee is an organization that can issue official donation receipts for gifts that individuals and corporations make to it, and that can receive gifts from registered charities. As of January 1, 2012, most qualified donees have to be listed and are subject to some new requirements. The following groups of organizations are qualified donees: registered charities; registered Canadian amateur athletic associations; Her Majesty in right of Canada or a province; the United Nations and its agencies; listed Canadian municipalities; listed municipal and public bodies performing a function of government in Canada; listed prescribed universities outside Canada; listed charitable organizations outside Canada that have received a gift from Her Majesty in right of Canada; and listed low-cost housing corporations for the aged.

Our preliminary findings regarding IDF's non-compliance with these requirements are dealt with below under the headings:

- 1.1 Failed to demonstrate that it is dedicated to charitable activities carried out in furtherance of its charitable objects
  - 1.1.1 Intended activities not in furtherance of its stated objects
  - 1.1.2 Advancement of a separate, unstated object
- 1.2 Failed to devote its resources to charitable activities carried on by the organization itself by demonstrating the necessary direction and control
- 1.3 Political activities and activities contrary to Canadian public policy
  - 1.3.1 Provision of funds to an organization whose resources may be used to support the efforts of a political organization and an armed militant group
  - 1.3.2 Absence of due diligence/Failure of board of directors to meet its fiduciary obligations

**1.1 Failed to demonstrate that it is dedicated to charitable activities carried out in furtherance of its charitable objects**

As detailed above, to be eligible for registration under the Act, Canadian law requires that an organization demonstrate that it is constituted exclusively for charitable objects, and that it devotes its resources to its own charitable activities carried on in furtherance thereof.<sup>10</sup> In this regard, the objects of the organization must clearly define the scope of the activities to be engaged in by the organization and the activities themselves must bear a coherent relationship to the objects that the organization seeks to achieve.

**1.1.1 Intended activities not in furtherance of its stated objects**

A registered charity's objects are generally found in its governing document, and must clearly define the scope of the activities that the organization engages, or wishes to engage, in. In IDF's case, its objects, set out in Article 2 of its Supplementary Letters Patent issued to it under the provisions of the *Canada Corporations Act*, and dated February 24, 2005, are:

1. *To develop, establish and maintain facilities for places of worship, schools and community centres throughout Canada, primarily but not exclusively, in Muslim communities;*
2. *To provide financial and other assistance for the relief of poverty of needy persons in Canada, primarily but not exclusively, in Muslim communities with emphasis on the assistance of indigent immigrant families;*
3. *To provide scholarships, bursaries, prizes and other forms of financial assistance to under privileged students in Canada, primarily but not exclusively from Muslim communities, with emphasis on students, who, without financial assistance, might not otherwise be able to continue their education;*
4. *To provide funds for the assistance or use of places of worship, schools, and community centres throughout Canada, primarily but not exclusively, in Muslim*

<sup>10</sup> *Vancouver Society*, ibid note 1, at para. 159 per Iacobucci J. We would note that this requirement is subject to exceptions relating to administrative, fundraising and political activities that are conducted within legal parameters.



*communities provided that such places of worship, schools or community centres are registered charities within the meaning of the Income Tax Act (Canada);*

5. *To raise and maintain a fund or funds and to apply the income or capital for the purpose of fulfilling these objects.*

While it is our view that these objects could be found to be charitable at law,<sup>11</sup> we are not satisfied that they represent an accurate reflection of IDF's envisaged activities, either currently or at time of its registration in 2005.

During the November 2011 audit interview,<sup>12</sup> Dr. Syed Imtiaz Ahmad<sup>13</sup> stated that IDF had been modelled after IDF-USA, with IDF acting "simply [as] a fundraising arm" of the Islamic Society of North America (ISNA), a registered charity and, therefore, a qualified donee.<sup>14</sup> Our understanding in this regard was confirmed during the March 6, 2012 interview with Dr. Mohammad Ashraf,<sup>15</sup> who, in providing a brief historical context to the founding of ISNA and the ISNA affiliates, explained that IDF was established in order to relieve ISNA of any fundraising responsibilities.

IDF's primary role as ISNA's fundraising arm appears to be one that was well defined internally, seemingly even before its date of registration,<sup>16</sup> as is demonstrated in a number of electronic documents obtained by the CRA during the November 2011 visit to ISNA's headquarters. For example:

- An information pamphlet entitled "Islamic Society of North America – Canada", presumably produced before registration, provides the following description of IDF:

*ISNA-Canada has traditionally relied upon donations from the community to fund our programs, activities and operational expenditures. The ISNA Development Foundation is ISNA-Canada's fundraising division. Established in 2003, IDF's ultimate goal is to help ISNA become financially self-sufficient [emphasis added], thus giving ISNA-Canada a secure foundation from which to work. Through the IDF, ISNA Canada*

<sup>11</sup> Raising funds is not in itself considered a charitable object. Fundraising as an activity, though, is acceptable when undertaken to finance an organization's own charitable programs or in order to gift funds to "qualified donees" as defined in subsection 149.1(1). However, such activities must be ancillary and incidental to the organization's charitable objects. As worded, while object 5 describes a power rather than a charitable object, it is acceptable for the purposes of charitable registration in the context of IDF's other four objects.

<sup>12</sup> The audit commencement interviews for the ISNA family of charities took place the week of November 28, 2011 at ISNA-Canada's headquarters in Mississauga, Ontario. While IDF was touched on as a topic of conversation during the entire week, the IDF interview itself took place on November 30, 2011. The following individuals represented IDF: Abdallah Idris Ali, Shameem Mohammed, M.D. Khalid, Syed Imtiaz Ahmed, Mohammad Bekkari, Seema Khan, and Mohammad Khadim. The following individuals were identified on IDF's T3010s as its directors for the period under audit: Mohammad Ashraf (2007, 2008, 2009), Mohammed Bekkari (2008, 2009), Muratib Ali (2008, 2009), M.D. Khalid (2007), and Syed Imtiaz Ahmad (2007).

<sup>13</sup> Dr. Ahmad is one of IDF's founding directors, as listed on its incorporating documents, and a former President of ISNA-Canada and ISNA-USA.

<sup>14</sup> At the same interview, Mr. M.D. Khalid, who served on IDF's board of directors in 2007 and who served as a long-term employee, including at the time of registration, confirmed that IDF's "sole purpose was to be raising money for ISNA-Canada...", "...following the same format as IDF-USA." ISNA-USA's website, <http://www.isna.net/IDF/pages/IDF.aspx>, provides the following description of IDF-USA: "The responsibility of securing a sound financial base falls upon the ISNA Development Foundation (IDF). A sound financial base is crucial to ISNA's operations in order to bring to the North American Muslim community the variety of programs, events, and trainings that make ISNA a vital part of the mosaic of Islam in America."

<sup>15</sup> Dr. Ashraf is IDF's founder, a former director, and the former long-serving Secretary General of ISNA.

<sup>16</sup> Please note that IDF was registered June 15, 2005 with an effective date of February 24, 2005.

*aims to develop financial resources so that the majority of ISNA-Canada's income is derived from self-sustaining sources. IDF is expected to get its charitable status in the near future [emphasis added].*

- Entitled "Review of Past Work", section 3 of the minutes from the September 27, 2009 IDF directors' meeting states that **"The IDF was incorporated on December 24, 2001 with a view to raise funds for the long term sustainability of ISNA Canada [emphasis added]. Br. M.D. Khalid was appointed Director to work half time for this purpose. However, there were only 2-3 fund raising dinners which collected small amounts of money..."**
- In a February 23, 2009 email to ISNA's Majlis, Dr. Ashraf writes: *"I am very much concerned about the operations of IDF for the last couple of years or even more has not been able to do the job which it was supposed to do... Since we are in need of the funds at all the time, and the creation of IDF had one of these basic objectives to be fulfilled in raising the required funds for ISNA Canada operations [emphasis added]... Therefore, I am informing the Majlis that I am taking up the responsibility of IDF operations myself and would like to spearhead a fund raising campaign [sic] as early as possible."*

The CRA has further noted that ISNA recently modified its website to include the following, previously unposted, description of IDF:

*The responsibility of a securing a sound financial base falls upon the ISNA Development Foundation (IDF). A sound financial base is crucial to ISNA's operations in order to bring to the North American Muslim community the variety of programs, events, and trainings that make ISNA a vital part of the mosaic of Islam in America.*

*The Foundation's efforts are divided among two primary programs the Annual Fund program and the Planned Giving program.*

- *The Annual Fund program is responsible for raising the operating budget for ISNA through programs such as the Outreach visits to communities across North America, direct mail campaigns, the 1000 Donors Club, and the Electronic Funds Transfer program which allows donor to give electronically directly from the checking or saving account monthly.*
- *The Planned Giving program focuses on future gifts. The eventual goal is to help ISNA become financially self-sufficient through the ISNA Endowment Fund. Planned giving at ISNA is also responsible for printing and distributing a shariah-compliant Last Will and Testament. IDF strives to educate Muslims in North America on estate planning techniques in order better equip them for their own financial security as well as that of their community.<sup>17</sup>*

<sup>17</sup> [http://www.isna.ca/ISNA\\_Development\\_Foundation.php](http://www.isna.ca/ISNA_Development_Foundation.php) [Accessed 24 May 2012]. The newly posted description exactly mirrored that available on ISNA-USA's website, as cited in note 14. (Please note that, according to CRA records, this description

As clearly as IDF has defined this purpose internally, there is nothing in our record to indicate that it had been appropriately articulated to the CRA, either during the application process<sup>18</sup> or at any other date prior to the current audit commencement interview.

This omission is further apparent in IDF's responses to particular sections of its T2050, *Application to Register a Charity under the Income Tax Act*:

- IDF answered "No" to Q12 *i) Has the organization been formed for the purpose of giving more than 50% of its income to qualified donees (e.g. other registered charities?); and*
- In its forecasted budget provided in Q17, *Part 5 – Financial information, B. Disbursements*, IDF indicated on line 013 that the majority of its money (\$65,000) would go towards "Charitable programs",<sup>19</sup> while, on line 014, *Gifts to qualified donees*, IDF indicated that it intended to gift only \$15,000 to qualified donees. In the accompanying description to line 014, IDF simply stated that this money was to "fund existing registered charities supporting Islamic schools or religious centres" and makes no reference to ISNA, despite being requested on the T2050 to "identify recipient, and registration number where applicable" of qualified donees it intended to gift to.

While it could be argued that IDF intended to pursue its incorporating objects through the provision of funds to ISNA, IDF's objects place IDF in the role of an active participant in the undertaking of "its own" charitable programming.<sup>20</sup> This is clearly not the case, as IDF appears to never have intended, nor, according to the information presently on its website, does it intend, to undertake activities other than the provision of funds to ISNA, a qualified donee.<sup>21</sup>

---

was not posted on ISNA's website as of September 2011 and appears to have been removed sometime in March 2013.) We further note that the revised Preamble in IDF's draft bylaws dated March 19, 2010 also clearly expresses this role: "*The responsibility of securing a sound financial base for ISNA Canada falls upon the ISNA Development Foundation (IDF). A sound financial base is crucial to ISNA Canada's operations in order to bring to the Canadian Muslim community the variety of programs, events and trainings that make ISNA a vital part of the mosaic of Islam in Canada.*" The Preamble then continues with a description of the fundraising programming IDF will administer in order to fulfil this mandate.

<sup>18</sup> Submitted in September 2003, the statement of activities provided under Part 4, Information about the activities of the applicant, of IDF's *Application to Register a Charity under the Income Tax Act*, T2050, was as follows:

"The Corporation is currently inactive. However the proposed programs and activities are as follows:

1. To raise funds for premises to be used for the operation of Islamic schools or Islamic religious centres.
2. To fund the establishment or ongoing expenses of operation of Islamic schools or Islamic religious centres.
3. To assist in the funding of expenses for existing Islamic schools or Islamic religious centres.
4. To establish programs for the financial assistance of the indigent, primarily but not exclusively within the Islamic community with a particular emphasis on providing assistance to needy immigrant families"

This description was found to be inadequate and, in response to a CRA request for further information on its intended activities, IDF further explained in a May 6, 2004 letter sent by its legal representative, Blake, Cassels & Graydon LLP, that it had "started its work in earnest from January 2003 after M.D. Khalid was appointed on a part-time basis to direct and co-ordinate its activities" and that, while "the activities of the foundation are still in its infancy", in 2003 IDF had undertaken the following:

- the organization of three fundraising dinners in Toronto, Calgary and Vancouver;
- the establishment of a small library at Windsor Islamic Association (WIA);
- the provision of tuition subsidies to students at the University of Windsor; and
- the provision of financial assistance to needy families.

<sup>19</sup> IDF provided the following breakdown of its disbursements in this area: "\$30,000 to establish/fund Islamic schools", "\$30,000 to establish fund Islamic religious centres", and "\$5,000 to the indigent".

<sup>20</sup> With the exception being object 4, which at least demonstrated IDF's intention to provide funds to other "registered charities", if not specifically to ISNA.

<sup>21</sup> As explained previously in note 11, raising funds is not in itself considered a charitable object/activity. Fundraising as an activity, though, is acceptable when undertaken to finance an organization's own charitable programs or in order to gift funds to a

As previously explained, in order to meet the requirements of the Act, an organization's objects must be exclusively and legally charitable under common law, and define the scope of the activities engaged in by the organization. It is our opinion that the objects for which IDF was granted charitable registration are not an accurate representation of its intended activities.<sup>22</sup> As a result, IDF fails to meet the requirements for registration.

#### 1.1.2 Advancement of a separate, unstated object

As contained in its governing documents, and quoted in subsection 1.1.1 above, while allowing for a wide spectrum of activities, each of IDF's incorporating objects clearly confines its programming to Canada: objects 1 through 4 explicitly state that its activities will take place either "*throughout Canada*" or "*in Canada*", while object 5 simply refers to the funding efforts that will be undertaken in support thereof.

The courts have confirmed that the question of whether an organization is constituted exclusively for charitable objects cannot be determined solely by reference to its stated objects, but must take into account the activities in which the organization currently engages:

*In Guaranty Trust, supra at p. 144, this Court expressed the view that the question of whether an organization was constituted exclusively for charitable purposes cannot be determined solely by reference to the objects and purposes for which it was originally established. It is also necessary to consider the nature of the activities presently carried on by the organization as a potential indicator of whether it has since adopted other purposes. In other words, as Lord Denning put it in Institution of Mechanical Engineers v. Cane, [1961] A.C. 696 (H.L.), at p. 723, the real question is, "for what purpose is the Society at present instituted?"*<sup>23</sup>

Where a particular activity is, or becomes, a substantial focus of an organization, it may no longer advance a stated object. Rather, the activity may be in support of a separate or collateral unstated object – or form a separate or collateral object in and of itself.<sup>24</sup>

Our audit has revealed that IDF has been undertaking activities unrelated to either its formal incorporating objects or to its apparent intended purpose of gifting funds to ISNA. Rather, a significant amount of IDF's resources are directed at the conduct of activities outside of Canada, a clear contravention of the geographic delineation expressed in its incorporating objects.

---

"qualified donee". In the instance of IDF, the potential charitable act is not the fundraising, but rather the gifting to ISNA, a registered charity and, therefore, a qualified donee. For further information on fundraising in the charitable context, please refer to CRA's Guidance *Fundraising by Registered Charities*, <http://www.cra-arc.gc.ca/chrts-gvng/chrts/plcy/cgd/fndrsng-eng.html>.

<sup>22</sup> We would further note that IDF's failure to fully or accurately disclose its intended focus on the provision of funds to ISNA resulted in IDF's mis-designation as a "charitable organization", rather than as a "public foundation". Under the Act, there are three types of designations for registered charities: (1) charitable organization, (2) public foundation, and (3) private foundation. The designation of a charity depends on its structure, its source of funding and the charity's mode of operation (CSP-D02). The essential difference between a charitable organization and a public foundation is that public foundations focus on funding qualified donees, while charitable organizations focus on carrying on their own charitable activities.

<sup>23</sup> *Vancouver Society*, *ibid* note 1, at para. 194.

<sup>24</sup> *Vancouver Society*, *ibid* note 1, at para. 156, where Mr. Justice Iacobucci, speaking for the majority, cite with approval the comments of Denning L.J. in *British Launderers' Research Association v. Borough of Hendon Rating Authority* [1949] 1 K.B. 462 (C.A.), as applied by the Supreme Court of Canada in *Guaranty Trust Company of Canada v. Minister of National Revenue* [1967] S.C.R. 133.

Our concern in this regard was supported by IDF at the CRA's follow-up interview of March 1, 2012, at which time the accuracy of the following statement, prepared and presented by the CRA, was confirmed:

*Based on the information provided during the interview,<sup>25</sup> it is our understanding that IDF undertakes no activities in furtherance of these objects. Rather, with the exception of payroll expenses, all of IDF's resources are directed to the Kashmiri Canadian Council (KCC) based in Toronto and the Relief Organization for Kashmiri Muslims (ROKM) based in Islamabad, Pakistan, in order to fund activities being undertaken in Kashmir.*

As explored in further detail below, in financial terms, the books and records provided by IDF for review – such as bank statements, cancelled cheques, and bank drafts – indicate that IDF gifted a total of \$285,587 to organizations outside of Canada over the three-year period under audit.<sup>26</sup>

Given the totality of the resources and efforts expended, IDF's foreign disbursements cannot in any manner be interpreted as merely ancillary (subordinate or secondary to the organization's charitable objects) and incidental (activities which are not essential to the organization's operation and are only conducted on an occasional basis) to IDF's charitable objects. In other words, IDF's foreign disbursements cannot be said to be merely a means to an end, but rather, constitute an end in itself, forming an independent, unstated object.

An organization which advances and/or carries out activities not clearly in support of its stated objects is ineligible for registration as a charity.<sup>27</sup> IDF has failed to demonstrate that it has pursued exclusively charitable activities in furtherance of its incorporating objects, and, as such, appears to have ceased to comply with the requirements of the Act for its continued registration pursuant to paragraph 168(1)(b) of the Act.

## **1.2 Failed to devote its resources to charitable activities carried on by the organization itself by demonstrating the necessary direction and control**

Subsection 149.1(1) of the Act requires that a registered charity operating as a charitable organization devote all of its resources to "charitable activities carried on by the organization itself."

Except where it gifts its funds to a qualified donee, the CRA requires a charity to show that it effectively directs and actually controls the use of its resources on an ongoing basis, including in situations in which it carries out its activities through an intermediary.<sup>28</sup> The Federal Court of Appeal has confirmed that a charity working with an intermediary must

<sup>25</sup> Audit commencement interview held the week of November 28, 2011 at ISNA-Canada's headquarters in Mississauga, Ontario.

<sup>26</sup> IDF reported a total of \$243,239 on its T3010s for activities outside Canada for the period under audit. However, an analysis indicated that the total should be \$285,587, as IDF gifted \$281,696 to ROKM in Pakistan, either directly or via the Kashmiri Relief Fund of Canada/Kashmiri Canadian Council, while the remainder, i.e. \$3,891, was gifted to the Indian Muslim Relief Committee of ISNA in the United States. Please refer to section 1.2 c) and d) for more detail.

<sup>27</sup> As mentioned above, the first part of the Supreme Court's two-part test to determine eligibility requires that an organization's objects be exclusively charitable, and clearly define the scope of the activities engaged in by the organization. By its very nature, an unstated purpose could not satisfy this element.

<sup>28</sup> For more information, see CRA Guidance CG-002 *Canadian Registered Charities Carrying Out Activities Outside Canada* and CRA Guidance CG-004 *Using an Intermediary to Carry out a Charity's Activities within Canada*.

have control over the activities carried out on its behalf, and over the use of its resources.<sup>29</sup> In particular, the Court has highlighted that the relevant issue to be determined in regard to this requirement is not only whether resources are being devoted to activities which the law regards as charitable, but whether funds transferred to a non-qualified donee are, in reality, devoted to activities being carried on by the charity itself. As noted in *Canadian Magen David Adom for Israel v. Canada (Minister of National Revenue)*, “the Minister is entitled to insist on credible evidence that the activities of a charitable organization are, in fact and law, activities being carried on by the charitable organization itself.”

A registered charity, therefore, cannot act as an intermediary for resources transferred to, or for amounts used by, organizations that are not registered Canadian charities or otherwise considered to be qualified donees. In other words, a registered charity may not merely act as a channel or conduit through which tax receipts are provided for donations that are intended for the use of another organization to which a Canadian taxpayer could not make a gift and acquire tax relief.<sup>30</sup>

In order to discharge the evidentiary burden of establishing that it has met the operational requirements of the *Income Tax Act*, a registered charity must keep books and records that will provide a means of verifying that its resources have been devoted to charitable activities “*carried on by the organization itself*.” In addition to copies of operating agreements or contracts and project reports,<sup>31</sup> this may include all records demonstrating the charity’s internal decision-making mechanisms, such as minutes of board meetings, copies of relevant correspondence and communications, a charity’s operational policies and procedures, as well as source documents such as invoices and receipts.

Our review of IDF’s books and records indicates that IDF gifted a total of \$535,611<sup>32</sup> to non-qualified donees over the period under audit, as follows:

Non-qualified Donee		YE			Total
		2009	2008	2007	
a)	Wage-related	48,021	56,120	74,583	178,724
b)	Islamic Centre of Canada		30,000	41,300	71,300
c)	Indian Muslim Relief Committee of ISNA			3,891	3,891
d)	Relief Organization for Kashmir Muslims <sup>33</sup>	104,864	118,462	58,370	281,696
		<b>152,885</b>	<b>204,582</b>	<b>178,144</b>	<b>535,611</b>

<sup>29</sup> *The Canadian Committee for the Tel Aviv Foundation v. Canada (Minister of National Revenue)* [2002] FCA 72; *Canadian Magen David Adom for Israel v. Canada (Minister of National Revenue)* [2002] FCA 323; and *Bayit Lepletot v. Canada (Minister of National Revenue)* [2006] FCA 128.

<sup>30</sup> *Ibid.*

<sup>31</sup> See CRA’s publications *Canadian Registered Charities Carrying Out Activities Outside Canada* and *Using an Intermediary to Carry out a Charity’s Activities within Canada* for further information in this regard.

<sup>32</sup> The \$535,611 represents some 80% of IDF’s reported total revenues of \$667,881 for the period, or 85% of its total expenditures, i.e. \$627,851.

<sup>33</sup> We note that in its 2010 and 2011 T3010 returns (Schedule2), IDF reported it transferred \$79,095 and \$1,375, respectively, to ROKM.

a) Funds gifted for the purpose of employees' wages, salaries, and benefits

Reviewed documents indicate that IDF had as many as four employees at various times during the period under audit. The duties and tasks performed, particularly by two of these employees, namely, [REDACTED], do not appear to have been undertaken for the benefit of IDF, but rather for the exclusive benefit of organizations that were determined to be non-qualified donees, and in most instances for-profit corporations, namely:

- ISNA Housing Cooperative Limited (ICH);
- Ansar Cooperative Housing Corporation;
- Islamic Cooperative Housing Corporation Limited;
- Islamic Centre of Canada (ICC);
- Sheridan Services Incorporated; and
- Sheridan Development Management Incorporated.

IDF gifted to these non-qualified donees by paying wages and benefits for the two employees for a total of \$178,724, for the period under audit, as follows:

Account Name	Account No.	YE			
		2009	2008	2007	
Wages & Salaries	5410	38,162	46,697	63,600	
EI Expense	5420	924	1,131	1,603	
CPP Expense	5430	1,716	2,023	2,802	
ESP Expense	5460	4,182	1,401	1,908	
Medical expenses	5462	3,037	4,868	4,670	
		<b>48,021</b>	<b>56,120</b>	<b>74,583</b>	<b>178,724</b>

b) Funds gifted to the Islamic Centre of Canada (ICC)

Reviewed records indicate that IDF disbursed a total of \$71,300 to ICC, a non-profit organization, \$41,300 in 2007, and \$30,000 in 2008, for the purpose of paying ICC's own expenses, as accounted for by general ledger (G/L) entries.<sup>34</sup> None of the records provided by IDF for review demonstrated that IDF provided direction or exercised control over the funds it gifted to ICC.

c) Funds gifted to the Indian Muslim Relief Committee of ISNA (IMRC)

Reviewed G/L entries indicated that IDF gifted \$3,891 to a U.S.-based organization, IMRC, which is not a qualified donee. None of the records provided by IDF for review demonstrated that IDF provided direction or exercised control over the funds it gifted to the IMRC.

<sup>34</sup> G/L account numbers 5140 and 5690, called "Transfer – ICC for Expenses" and "Donation – ICC Expenses," respectively, account for the gifts of \$41,300 in YE 2007, and \$15,000 in 2008, in addition to another gift of \$15,000 IDF made to ICC, for which IDF failed to record in its books, in 2008, to a total of \$71,300.

d) Funds gifted to the Relief Organization for Kashmiri Muslims (ROKM)

As outlined to the CRA during the audit commencement interview, and confirmed by IDF at the follow-up interview, IDF had entered into a funding arrangement with the Canadian non-profit organizations the Kashmiri Canadian Council (KCC) and the Kashmiri Relief Fund of Canada (KRFC),<sup>35</sup> with the ultimate goal of sending the raised funds to the Pakistan-based non-governmental organization entitled the Relief Organization for Kashmiri Muslims (ROKM). Under the arrangement, KCC/KRFC raised funds for "relief work" in Kashmir; IDF supplied official donation receipts to the donors,<sup>36</sup> and IDF disbursed the funds to ROKM, either directly, or indirectly via KCC/KRFC.<sup>37</sup>

In the course of the audit, the CRA has requested documentation demonstrating IDF's direction and control of these funds and the activities to which they were directed on at least three occasions:

1. At the commencement of the audit, in the list of "required information and documentation" accompanying our audit commencement letter, dated October 11, 2011;
2. At the initial interview, conducted the week of November 28, 2011, at ISNA's headquarters in Mississauga; and
3. At a supplementary interview conducted on March 6, 2012, with IDF's founder and the former Secretary General of ISNA, Dr. Mohammad Ashraf.<sup>38</sup>

IDF failed to provide the requested documents. In fact, during the initial interview, IDF's directors agreed that there were no written agreements in place and that the money had been provided to ROKM "free and clear" with "no strings."<sup>39</sup> IDF confirmed our understanding in this regard during a follow-up interview, and further stated that "once the money left Canada, [IDF] had no control over the money; how it was spent; or what it was to be spent on."<sup>40</sup>

The board of directors maintained that its knowledge of the activities undertaken with the funds transferred to Kashmir was based solely on a few photographs provided by KCC/KRFC's Executive Director, Mr. Mushtaq A. Jeelani,<sup>41</sup> which were purported to depict the relief activities being undertaken by ROKM on behalf of IDF. We note that poor quality paper printouts of similar photographs had been provided to the CRA by IDF during our 2008

<sup>35</sup> IDF explained to the CRA that it considered KCC and KRFC to be "basically the same organization". See section 1.3.1 regarding the CRA's findings in this regard.

<sup>36</sup> Please refer to Appendix A of this letter for copies of KRFC fundraising flyers in which donors are requested to make cheques payable to IDF, but mail them to KRFC. The activities are clearly described as those of KRFC and not IDF. See also section 3, *Issued a receipt for a gift or donation otherwise than in Accordance with the Act and its Regulations*, below for the CRA's consideration of this matter from a receipting perspective.

<sup>37</sup> Section 1.3.1 below provides more information on KCC, KRFC, and ROKM.

<sup>38</sup> A request for this information was made to Dr. Ashraf, as CRA had been informed by IDF's current directors at the audit commencement interview that "all records pertaining to the IDF business is missing from the head office. It had been removed by Dr. Ashraf from the premises before his departure..." Dr. Ashraf stated that he did not have any documentation pertaining to IDF.

<sup>39</sup> Initial interview conducted at ISNA headquarters the week of November 28, 2011.

<sup>40</sup> Follow-up interview conducted at ISNA headquarters, March 1, 2012.

<sup>41</sup> According to IDF's annual filings with Industry Canada, Mr. Jeelani is also noted to have served on IDF's board of directors from March 31, 2009 until March 31, 2011. However, he was never identified as such on IDF's T3010 returns filed with the CRA.



audit related to the operations of IDF for the period of January 1, 2005 to December 21, 2006.<sup>42</sup> While details of the images are difficult to discern from the printouts, electronic copies were retrieved from IDF's server by the CRA during our November 2011 visit.<sup>43</sup>

The superior quality of the electronic version of the photographs allowed the CRA to conduct a more fulsome review and raised concerns that they may have been altered. As is demonstrated by the attached Forensic Laboratory Report prepared by the Science and Engineering Directorate of the Canada Border Services Agency,<sup>44</sup> our concerns in this regard are confirmed: the images provided to the CRA in the course of IDF's previous audit had been altered after they were taken, specifically in the area of the banner depicting IDF's name. Such a finding calls into question the genuineness of IDF's representations as to its direction and control of the funds transmitted to ROKM during the period of the previous audit.<sup>45</sup> Correspondingly, it leads us to question whether the previous audit's conclusions in this regard may have been different had this information been available at the time.<sup>46</sup>

Regardless, as it pertains to the current audit, in the absence of documentary evidence demonstrating direction and control and in light of IDF directors' own admission in the instance of ROKM, it is the CRA's preliminary position that IDF has operated in direct contravention to subsection 149.1(1) of the Act that requires that a charitable organization devote all of its resources to charitable activities carried on by the organization itself.

In addition to the concerns outlined above, it is the CRA's preliminary position that IDF's activities in regard to the KCC/KRFC and ROKM would otherwise be found to be in contravention of the Act, in as much as they fail to confer a public benefit, as that term is understood in the charitable sense. More specifically, it appears that the funds transferred to ROKM could be used in support of a secondary political, non-charitable objective, as

<sup>42</sup> The photographs were provided to the CRA as part of a package of material purported to demonstrate IDF's direction and control over the activities being undertaken in Kashmir for the period under audit at the time.

<sup>43</sup> The photographs were attached in two April 15, 2009 emails from Mr. Jeelani to Dr. Ashraf, and depict various scenes of individuals receiving relief supplies, including zinc sheets and blankets. Many of the photographs depict these scenes taking place in front of a banner reading "IDF ISNA Canada. Kashmir Relief project 2005. Implemented by the Relief Organization for Kashmiri Muslims."

<sup>44</sup> Please refer to Appendix B for a copy of the Report.

<sup>45</sup> A cursory review of additional documents obtained off of IDF's server has raised concern that the other documents provided to the CRA as part of its efforts to demonstrate direction and control over the use of the resources expended in Kashmir during the period under review by the previous audit may have been produced well after the conduct of the activities. For example, item 12 of the June 28, 2008 ISNA Canada Majlis meeting minutes prepared by Dr. Ashraf states:

M. Ashraf presented a verbal report on the status of the Canada Revenue Agency audit of IDF for the financial years 2005 and 2006. He informed the Majlis that CRA representatives have visited HQ two times – first on April, 14th -17th and then on June 4th – 7th and have not yet completed the audit. There were some questions on the relief funds sent to Kashmir, Indonesia, Gujrat in India for a school and to the Palestine House in Mississauga, ON. CRA requires additional information such as receipts and other proof that these funds transferred in 2005 and 2006 were in fact spent on the refugees, school etc. We have written to the agencies to which these funds were transferred in order to obtain this information and are awaiting their response. There were also some questions pertaining to the tax receipts issued. The office is currently compiling additional details to provide to them.

We would explain that the concept of maintaining direction and control over the use of an organization's resources must amount to more than the exercise of signing and collecting documentation post-facto – as it appears IDF may have done – if there is to be any meaning to the statutory requirement that a charitable organization is to devote its resources to "charitable activities carried on by the organization itself".

<sup>46</sup> The previous audit of IDF was closed with the issuance of an education letter dated May 22, 2009. As described in the letter, the main areas of non-compliance identified by the audit at the time related largely to improper donation receipting practices; inadequate books and records as related to donation receipts; and the failure to file a complete and accurate T3010. No concerns were raised as pertained to direction and control, or the lack thereof.

evidenced by ROKM's direct and indirect affiliation with organizations and/or individuals that are advancing the political cause of Kashmir's self-determination, including through support of a militant movement.

### 1.3 Political activities and activities contrary to Canadian public policy

Providing resources to organizations operating in support of a political purpose, including the achievement of nationhood or political autonomy, are not recognized at law as charitable. In addition, it is well established that an organization will not be charitable at law if its activities are illegal or contrary to public policy.<sup>47</sup>

In this regard, it is important to bear in mind that political purposes are evident, or can be inferred, not only where an organization's activities support the aims of a particular political party, but also where the programs and activities promote a political cause, doctrine or ideology, or are directed at efforts to bring about or oppose changes in the law or policy, or generally seek to advocate, and bring about changes in the overall way that a society governs and manages itself.<sup>48</sup>

In addition, Canada's public policy recognizes that depriving terrorist organizations of access to funds is a fundamental tool in undermining terrorist activities as it weakens their supporting logistical and social infrastructures.<sup>49</sup> It is very clear that Canada's commitment to combating terrorism extends to preventing organizations with ties to terrorism from benefiting from the tax advantages of charitable registration.

Canada has implemented the binding elements of Resolution 1373 of the United Nations Security Council and has ratified the United Nations *International Convention for the Suppression of the Financing of Terrorism*. The preamble to the Convention recalls General Assembly Resolution 51/210, which calls upon all States:

3 (d) To investigate, when sufficient justification exists according to national laws, and acting within their jurisdiction... the abuse of organizations, groups or associations, **including those with charitable, social or cultural goals** [emphasis added], by terrorists who use them as a cover for their own activities; and

3 (f) to take steps to prevent, and counteract, through appropriate domestic measures, the financing of terrorists and terrorist organizations, **whether such financing is direct or indirect through organizations which also have or claim to have charitable, social or cultural goals** [emphasis added]...<sup>50</sup>

Many of the policy and guidance statements for charities published on the CRA website call attention to the need to observe Canada's laws and public policy in this regard.

<sup>47</sup> See *Everywomen's Health Centre Society (1988) v. (Minister of National Revenue)* [1992] 2 F.C. 52 and *Canadian Magen David Adom for Israel v. Canada (Minister of National Revenue)* [2002] FCA 323

<sup>48</sup> For further information, please refer to the CRA publication *Policy Statement: Political Activities (CPS-022)*, <http://www.cra-arc.gc.ca/chrts-gvng/chrts/plcy/cps/cps-022-eng.html>.

<sup>49</sup> See "Harper Government Releases Air India Inquiry Action Plan." <http://www.publicsafety.gc.ca/media/nr/2010/nr20101207-eng.aspx> and "Background: Terrorist Financing." <http://www.publicsafety.gc.ca/media/nr/2010/nr20101207-3-eng.aspx>.

<sup>50</sup> Canada's international commitment to combating terrorism is also reflected in its membership in the Financial Action Task Force (FATF) and, nationally, in the implementation of the *Charities Registration (Security Information) Act*.

For example, our publication entitled *Canadian Registered Charities Carrying Out Activities Outside Canada* advises:

*Charities have to remember their obligations under Canada's anti-terrorism legislation. As with all individuals and organizations in Canada, charities are responsible for making sure that they do not operate in association with individuals or groups that are engaged in terrorist activities, or that support terrorist activities.*<sup>51</sup>

1.3.1 Provision of funds to an organization whose resources may be used to support the efforts of a political organization and armed militant group

Our analysis of the information gathered from the documents acquired during our audit of IDF, along with those obtained from open sources, has led the CRA to believe that IDF, through its funding arrangement with the Kashmiri Canadian Council (KCC)/Kashmiri Relief Fund and Canada (KRFC)<sup>52</sup> and its Executive Director, Mr. Mushtaq Jeelani, may have, knowingly or unknowingly, extended the benefits of its status as a registered charity to fund the activities of an organization whose resources may be used to support the efforts of the political organization, Jamaat-e-Islami,<sup>53</sup> and its armed wing, Hizbul Mujahideen.<sup>54</sup> Our findings in this regard are detailed below.

The Kashmiri Canadian Council (KCC)

The KCC is a non-profit organization incorporated August 13, 1991 under the *Canada Corporations Act*.<sup>55</sup> According to its governing documents, its founding directors are

<sup>51</sup> CRA Guidance – Canadian Registered Charities Carrying Out Activities Outside of Canada. <http://www.cra-arc.gc.ca/chrts-gvng/chrts/plcy/cgd/tsd-cnd-eng.html>

<sup>52</sup> As previously noted, it was explained to the CRA that, for IDF's purposes, KCC and KRFC, are one and the same organization.

<sup>53</sup> Jamaat-e-Islami is an Islamist political party founded in 1941 by Sayeed Abul Ala Maududi. With the parent organization located in what is now Pakistan, it has several ideologically-affiliated, but nominally institutionally independent counterparts, including in both Pakistan- (Jamaat-e-Islami of Azad Jammu and Kashmir) and Indian-administered Kashmir (Jamaat-e-Islami of Jammu and Kashmir). The Party contests the legitimacy of India's right to Jammu and Kashmir and seeks the state's eventual "liberation" and accession to Pakistan. See, for example, Yoginder Sikand, *Muslims in India Since 1947: Islamic Perspectives on Interfaith Relations*. New York: Routledge Curzon, 2004. p. 195 and 201.

<sup>54</sup> Hizbul Mujahideen was listed as a terrorist entity by the Council of the European Union and was declared a banned "terrorist organisation" by the Government of India, Ministry of Home Affairs, under the *Unlawful Activities (Prevention) Act of 1967*. See Council Decision 2009/1004/CFSP of 22 December 2009, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:346:0058:0060:EN:PDF>; and *Unlawful Activities (Prevention) Act of 1967*, [http://mha.nic.in/uniquepage.asp?id\\_pk=292](http://mha.nic.in/uniquepage.asp?id_pk=292).

In its publication, *Patterns of Global Terrorism 2003*, the US Department of State states that Hizbul Mujahideen, "the largest Kashmiri militant group, was founded in 1989 and officially supports the liberation of Jammu and Kashmir and its accession to Pakistan, although some cadres are proindependence. The group is the militant wing of Pakistan's largest Islamic political party, the Jamaat-i-Islami [emphasis added]." US Department of State. "Patterns of Global Terrorism, 2003." Appendix C Background Information on Other Terrorist Groups. 29 May 2004. <http://www.state.gov/documents/organization/31947.pdf>.

<sup>55</sup> Address: 2376 Eglinton Avenue East, Toronto, Ontario, M1K 5K3. P.O. Box 44516; or postal address: 47-151 Nashdene Road, Toronto, ON, M1V 4C3. As contained in its governing documents, its objects are:

- a) To promote and encourage the association of Kashmiri's [sic] in Canada.
- b) To provide materials, facilitate in education and to promote and encourage their mother tongue and cultural needs.
- c) To promote a better understanding of Kashmiri situation to the Canadian people and organizations.
- d) To associate, to affiliate and to federate with any association, society or organization, incorporated or unincorporated, with objects same as or similar to the objects of the organization.
- e) To invest the monies of the organization not immediately required in each manner as may, from time to time, be determined.
- f) To do all such other lawful things as may be indicated or may be deemed to be conducive to the attainment of these objects, or any of them.

Mushtaq A. Jeelani, Haroon Bhabha, and Muhammad Ashraf.<sup>56</sup> KCC shares directors, an address and similar objects with a separately incorporated organization called the Kashmir Relief Fund of Canada Inc. (KRFC).<sup>57</sup> It appears that the three directors have since incorporated a third organization at the same address called the Peace and Justice Forum.<sup>58</sup>

KCC's website,<sup>59</sup> <http://www.kashmiri-cc.ca>, quite clearly defines its mandate as a political one, describing itself as

*...a non-profit organization dedicated to promote the Kashmiri cause [emphasis added], both within Canada and internationally. In Canada, the KCC is working with NGOs, media, academicians, students, and the conscientious Canadians to raise the level of awareness about the Kashmiri people's struggles for their right of self-determination [emphasis added] as enshrined in successive United Nations resolutions.*

A review of its website and newsletter, *Kashmir Quarterly*, confirms that KCC's efforts are indeed largely directed towards gaining international support for what is the highly-politicized argument put forward for Kashmir's, or more specifically the Indian-administered state of Jammu and Kashmir's, right to self-determination.<sup>60</sup>

Further, a review of the material posted on the website appears to politically or ideologically align KCC with the All Parties Hurriyat Conference (APHC)<sup>61</sup> and Jamaat-e-Islami.<sup>62</sup> For example:

<sup>56</sup> As of April 2013, the directors remain unchanged.

<sup>57</sup> Incorporated 28 November 1995, its stated objects are:

- a) To provide relief work to Kashmiri's [sic].
- b) To provide materials, facilitate in education and to promote and encourage the cultural and language needs of the Kashmiri's [sic].
- c) To promote a better understanding of Kashmiri situation to the Canadian people and organizations.
- d) To associate, to affiliate and to federate with any association, society or organization incorporated or unincorporated, with objects same as or similar to the objects of the organization.
- e) To invest the monies of the organization not immediately required in each manner as may, from time to time, be determined.

<sup>58</sup> Incorporated under the Canada Corporations Act, 1 August 2007, PJF's objects are as follows:

- a) To promote and enhance the cause of peace and justice.
- b) To prepare and disseminate educational materials for information and education on peace and justice initiatives.
- c) To liaise with other organizations and groups to foster Peace and Justice.
- d) To do all such other lawful things as may be indicated or may be deemed to be conducive to the attainment of these objectives, or any of them.

PJF's web address is <http://www.peaceforum.ca>.

<sup>59</sup> KRFC does not appear to have a web presence.

<sup>60</sup> See, for example, "Kashmir: An Unresolved Dispute" <http://www.kashmiri-cc.ca/misc/UNRESOLV.htm>; "White Paper on Elections in Kashmir" <http://www.kashmiri-cc.ca/misc/whitepaper.htm>; "Kashmir Dispute: A Nuclear Hot Spot in South Asia" <http://www.kashmiri-cc.ca/misc/TEAMCANA.htm>; "The Killing Field of Kashmir" <http://www.kashmiri-cc.ca/misc/KILLINGF.htm>; Mushtaq Jeelani, "Fifty-First-Year of Brutal Subjugation." *Kashmir Quarterly*. Human Rights Special Vol. 4 Issue 4. pg. 21; "President Clinton's Positive Response." *Kashmir Quarterly*. Winter 1997 Vol. 3 Issue 4. pg. 5; and "OIC Endorses Kashmiris' Struggle for Self-determination." <http://www.kashmiri-cc.ca/quarterly/kq2-3/OIC.htm>.

<sup>61</sup> According to information available on the website of the South Asia Terrorism Portal, [http://www.satp.org/satporgtp/countries/india/states/jandk/terrorist\\_outfits/Hurriyat.htm](http://www.satp.org/satporgtp/countries/india/states/jandk/terrorist_outfits/Hurriyat.htm), the APHC is an "alliance of secessionist parties and leaders" formed in 1993 "as a political front to further the cause of Kashmiri separatism." Its primary role has reportedly "been to project a negative image of counter-insurgency operations in Jammu and Kashmir and to mobilise public opinion against the Indian security forces". Headquartered in Srinagar, Indian-administered Kashmir, it was originally made up of 26 organizations, including Jamaat-e-Islami, as represented until recently by Syed Ali Shah Geelani on APHC's seven-member Executive Council, or main decision making authority.

<sup>62</sup> For information on Jamaat-e-Islami, please refer to note 53.

- KCC's website reproduces the APHC document *White Paper on Elections in Kashmir*, which, as well as outlining APHC's position on the likelihood of free and fair elections in Kashmir, presents a less than nuanced opinion on the Kashmiri's "freedom struggle" and India's continued "occupation":

*In the post 1989 period, the people's movement for the right to self-determination assumed new dimensions. After exhausting all peaceful options to make India honour its word, a section of Kashmiri youth took up arms against India's illegal occupation of Jammu and Kashmir. These young men nursed the sapling of Kashmir's freedom struggle with their warm blood. Thousands of them attained martyrdom; thousands were maimed and disabled [emphasis added].*<sup>63</sup>

- KCC's newsletter prominently features interviews with, and news pertaining to, key APHC and Jamaat-e-Islami officials, including, for example, Syed Ali Shah Geelani, the then chairman of the APHC and a Jamaat-e-Islami leader;<sup>64</sup> Ghulam Mohammad Bhat, described as the Ameer of Jamaat-e-Islami Jammu and Kashmir; Abdul Gani Lone, described as a senior leader of APHC; and Mirwaiz Umar Farooq, Chairman of the APHC.

While KCC's website, combined with Mr. Mushtaq Jeelani's extensive efforts to sway Canadian and international policy in regards to the Kashmir issue,<sup>65</sup> indicate an ideological affiliation between KCC and the political efforts of Jamaat-e-Islami and APHC, further research indicates that this affiliation may be a more formal one.

As is depicted in the link chart in Appendix C, numerous articles appear to confirm Mr. Jeelani's connection with Jamaat-e-Islami and APHC, and further present him in association with several individuals affiliated with Jamaat-e-Islami and Kashmiri self-determination efforts, including, most particularly, Dr. Ghulam Nabi Fai<sup>66</sup> of the Kashmiri

<sup>63</sup> <http://www.kashmiri-cc.ca/misc/whitepaper.htm>. Material available on the website also appears to indicate KCC's endorsement of APHC's place as the third party, along with the governments of India and Pakistan, in tripartite peace talks. See, for example, <http://www.kashmiri-cc.ca/misc/TEAMCANA.htm>, which states "The Canadian government should encourage the government of India to start tripartite negotiations involving the governments of India, Pakistan, and the APHC." In addition, the July-September 1996 publication of the KCC's newsletter contains a letter from the then-chairman of the APHC, in which he expresses his pleasure to "note that the line the Kashmiri-Canadian Council has adopted in publicising the tragedy in Kashmir. Causing international pressure to bear down on the situation is the best way to bring about a peaceful solution to the Kashmir dispute" and stating that he was "looking forward to working with the KCC to help alleviate the sufferings of the Kashmiri people and to achieve our long awaited freedom from illegitimate Indian occupation." Source: <http://www.kashmiri-cc.ca/quarterly/kq2-3/LETTERS.htm>.

<sup>64</sup> For further information on Syed Ali Shah Geelani, please refer to note 113.

<sup>65</sup> It should be noted that Mr. Jeelani's efforts in this regard through numerous letter writing campaigns, are well documented. See, for example, Jeff Davis, "Cannon's Kashmir Quandry," *Embassy*, Issue 247, 25 March 2009, p. 10; <http://kashmirwatch.com/news.php/2011/10/31/pjf-urges-commonwealth-to-help-resolve-kashmir-issue.html>; <http://www.pakistanchristianpost.com/headlinesd.php?hnewsid=2385>; <http://www.pakistanchristianpost.com/headlinesd.php?hnewsid=1510>; <http://www.muslimnews.co.uk/news/news.php?article=12866>; <http://www.kashmirawareness.org/Article/View/8843>; <http://www.pakistanchristianpost.com/headlinenews.php?hnewsid=2079>; <http://www.pakistanchristianpost.com/headlinenews.php?hnewsid=475>; and <http://scoop.co.nz/stories/print.html?path=WO0312/S00039.htm>.

<sup>66</sup> J.N. Dixit, "Talk by all means, but watch your back" *Indian Express*, 7 August 2000: <http://expressindia.indianexpress.com/news/ie/daily/20000807/ied07040.html>; Masood Hussain, "APHC's lesser known ambassadors who were assigned 'supervisory' role" *Kashmir Record and Research Council*, 15 August 2000: [http://www11.brinkster.com/krrc/news\\_detail.asp?id=2](http://www11.brinkster.com/krrc/news_detail.asp?id=2); Tara Shankar Sahay, "Kashmir talks may not yield concrete results" *Rediff.com*, 1 August 2000: <http://www.rediff.com/news/2000/aug/01tara.htm>; Jaleel Muzamil, "PoK, Hurriyat leaders agree: end jihad" *Indian Express*, 20 April 2000: <http://www.indianexpress.com/oldStory/1282>; Shujaat Bukhari, "An attempt to split Hurriyat?" *The Hindu*, 27 April 2002: <http://hindu.com/2002/04/27/stories/2002042700741200.htm>; Mohammad Imran, "JI to

American Council (KAC), and Dr. Ayub Thakur,<sup>67</sup> the founder of the United Kingdom-based charity Mercy Universal and the non-governmental organizations World Kashmir Freedom Movement and Justice Foundation/Kashmir Centre.

Reported as either representatives of Jamaat-e-Islami or APHC, Mr. Jeelani, Dr. Thakur and Dr. Fai have all been identified as participants in talks between the Governments of India and Pakistan over the future status of Kashmir,<sup>68</sup> and have been variously described as:

- “pro-Pakistan Kashmiri leaders based abroad”;<sup>69</sup>
- “separatist leaders based in the U.S., U.K., Canada”;<sup>70</sup>
- “prominent non-resident Kashmiri leaders who are actively working for the Kashmir cause”;<sup>71</sup>

---

unite overseas Kashmiri leaders.” *Daily Times*. 16 January 2003: [http://www.dailytimes.com.pk/default.asp?page=story\\_16-1-2003\\_pg7\\_31](http://www.dailytimes.com.pk/default.asp?page=story_16-1-2003_pg7_31); “APHC goes global; moves afoot to open offices in US, Europe, M-E, Far East” News Network International. 15 June 2003: <http://www.jammu-kashmir.com/archives/archives2003/kashmir20030615c.html>; “Pak envoy invites APHC (Abbas) leaders to Iftar party” *The Tribune*. 6 November 2003: <http://www.tribuneindia.com/2003/20031107/j&k.htm>; Rajesh Ahuja. “Fai funded terror in Kashmir valley” *Hindustan Times*. 6 July 2011: <http://www.hindustantimes.com/StoryPage/Print/725639.aspx>. Dr. Fai was arrested in the United States in July 2011 for illegally using funds allegedly originating from the Pakistan’s Inter Services Intelligence (ISI) to sway US policy on the Kashmir region. Dr. Fai reportedly pled guilty to two counts: one, to concealing from US authorities that he was acting on behalf of a foreign government; and two, to violation of tax laws. Source: Tashwant Raj. “Fai pleads guilty for being ISI agent in US.” *Hindustan Times*. 7 December 2011: <http://www.hindustantimes.com/world-news/Americas/Fai-pleads-guilty-for-being-ISI-agent-in-US/Article1-779222.aspx>.

<sup>67</sup> Sumir Kaul. “Division in Hurriyat over team to Pakistan.” Rediff.com. 31 December 2000: <http://www.rediff.com/news/2000/dec/31jk2.htm>; J.N. Dixit. “Talk by all means, but watch your back.” *Indian Express*. 7 August 2000: <http://expressindia.indianexpress.com/news/ie/daily/20000807/ie07040.html>; Masood Hussain. Kashmir Record and Research Council. “APHC’s lesser known ambassadors who were assigned ‘supervisory’ role.” 15 August 2000: [http://www11.brinkster.com/krrc/news\\_detail.asp?id=2](http://www11.brinkster.com/krrc/news_detail.asp?id=2); Tara Shankar Sahay. “Kashmir talks may not yield concrete results.” Rediff.com. 1 August 2000: <http://www.rediff.com/news/2000/aug/01tara.htm>; B. Raman. “Count-Down to Indo-Pak Summit—VI.” South Asia Analysis Group. Paper no. 268. 3 July 2001; Mohammad Imran. “JI to unite overseas Kashmiri leaders.” *Daily Times*. 16 January 2003: [http://www.dailytimes.com.pk/default.asp?page=story\\_16-1-2003\\_pg7\\_31](http://www.dailytimes.com.pk/default.asp?page=story_16-1-2003_pg7_31); “APHC goes global; moves afoot to open offices in US, Europe, M-E, Far East.” News Network International. 15 June 2003: <http://www.jammu-kashmir.com/archives/archives2003/kashmir20030615c.html>; “Pak envoy invites APHC (Abbas) leaders to Iftar party.” *The Tribune*. 6 November 2003: <http://www.tribuneindia.com/2003/20031107/j&k.htm>; Rajesh Ahuja. “Fai funded terror in Kashmir valley.” *Hindustan Times*, 26 July 2011: <http://www.hindustantimes.com/StoryPage/Print/725639.aspx>. Dr. Thakur was reported to have died of natural causes in London, England, in March 2004. Source: “Kashmiri separatist Ayub Thakur dies.” Rediff.com. 10 March 2004: <http://www.rediff.com/news/2004/mar/10jk3.htm>. However, the organizations he founded all appear to still be in operation. We have further noted that Dr. Fai is reported to be a director of one of these organizations, the Justice Foundation/Kashmir Centre. Source: Duncan Gardham. “‘Pakistani spies’ in the Houses of Parliament.” *The Telegraph*, 12 August 2011: <http://www.telegraph.co.uk/news/worldnews/asia/Pakistan/8698901/Pakistani-spies-in-the-Houses-of-Parliament.html>. U.S. Court documents filed as part of the legal proceedings against Dr. Fai state that his organization, the KAC, is one of three revealed to be “run by elements of the Government of Pakistan”, including the ISI. The other two organizations are identified as “the Justice Foundation/Kashmir Centre located in London, England, run by Nazir Ahmad Shawl [and founded and directed by Dr. Thakur before his death], and the Kashmir Centre—European Union located in Brussels, Belgium, and run by Abdul Majeed Trumbo [Trumbo].” Source: United States District Court for the Eastern District of Virginia. *United States v. Syed Ghulam Nabi Fai and Zaheer Ahmad*. Criminal Complaint filed by Sarah Webb Linden, Special Agent, FBI on 18 July 2011.

<sup>68</sup> Sumir Kaul. “Division in Hurriyat over team to Pakistan.” Rediff.com. 31 December 2000: <http://www.rediff.com/news/2000/dec/31jk2.htm>; Muzamil Jaleel. “PoK, Hurriyat leaders agree: end jihad.” *Indian Express*. 20 April 2000: <http://www.indianexpress.com/oldStory/1282>; Mohammad Imran. “JI to unite overseas Kashmiri leaders.” *Daily Times*. 16 January 2003: [http://www.dailytimes.com.pk/default.asp?page=story\\_16-1-2003\\_pg7\\_31](http://www.dailytimes.com.pk/default.asp?page=story_16-1-2003_pg7_31). We note that Dr. Fai, Dr. Thakur and Mr. Jeelani were reported to have been appointed by Syed Salahuddin, the Amir or Chief of Hizbul Mujahideen, to monitor talks between APHC and the Indian government in August 2000. Sources: Masood Hussain. “APHC’s lesser known ambassadors who were assigned ‘supervisory’ role.” Kashmir Record & Research Council. 15 August 2000: [http://www11.brinkster.com/krrc/news\\_detail.asp?id=2](http://www11.brinkster.com/krrc/news_detail.asp?id=2); Tara Shankar Sahay. “Kashmir talks may not yield concrete results.” Rediff.com. 1 August 2000: <http://www.rediff.com/news/2000/aug/01tara.htm>.

<sup>69</sup> B. Raman. “Count-Down to Indo-Pak Summit—VI.” South Asia Analysis Group. Paper no. 268. 3 July 2001.

<sup>70</sup> Shujaat Bukhari. “An attempt to split Hurriyat?” *The Hindu*. 27 April 2002: <http://hindu.com/2002/04/27/stories/2002042700741200.htm>.

<sup>71</sup> “APHC goes global; moves afoot to open offices in US, Europe, M-E, Far East.” News Network International. 15 June 2003: <http://www.jammu-kashmir.com/archives/archives2003/kashmir20030615c.html>.

- “conduits for contacts with Kashmiri militants”;<sup>72</sup> and
- “associates” in the funding of Kashmir militants”.<sup>73</sup>

Media articles have also reported that the three had been appointed as overseas representatives or “ambassadors” of Jamaat-e-Islami and APHC who, through their offices,<sup>74</sup> were to more effectively promote the Kashmiri cause in the international forum.<sup>75</sup>

The CRA has further noted that Mr. Jeelani’s organization, KCC, Dr. Fai’s KAC, and Abdul Majeed Trumboo’s Kashmir Centre-European Union<sup>76</sup> have been listed under the heading “Kashmir Centers, Government of AJ&K” on the website the Kashmir Liberation Cell, a semi-autonomous department established by the government of Azad Jammu and

<sup>72</sup> J.N. Dixit. “Talk by all means, but watch your back.” *Indian Express*. 7 August 2000:

<http://www.indianexpress.com/Storyold/157908/>. The article was reporting on the Indian government’s efforts to negotiate peace talks with Hizbul Mujahideen.

<sup>73</sup> Rajesh Ahuja. “Fai funded terror in Kashmir valley.” *Hindustan Times*, 26 July 2011:

<http://www.hindustantimes.com/StoryPage/Print/725639.aspx>. The particular instance of militant funding referred to in the article is the Jain Hawala Case, a 1991 Indian Central Bureau of Investigation (CBI) enquiry into terrorist financing. It reportedly first came to light in March 1991 with the arrest of Kashmiri militant, Ashfaq Hussain Lone of the Hizbul Mujahideen. However, when undertaking searches, the CBI seized accounting records that revealed that top politicians and bureaucrats in India had been the recipients of large amounts of foreign funds and the case was quickly converted from an investigation into militant funding to one into political corruption. Although Mr. Jeelani is not identified in other articles referring to this case, both Dr. Fai and Dr. Thakur are. Reporting on a later 2002 investigation into similar events, Dr. Thakur was alleged by Indian investigators to have used his organizations to transfer money to Hizbul Mujahideen through Jamaat-e-Islami and All Parties Hurriyat Conference (APHC) leader, Syed Ali Shah Geelani. The money was reportedly distributed at the behest/direction of Hizbul Mujahideen leader Syed Salahuddin. Sources: “Kashmiri separatist Ayub Thakur dies.” Rediff.com. 10 March 2004: <http://ia.rediff.com/news/2004/mar/10jk3.htm>; “The arrest of Syed Ali Shah Geelani.” *Outlook India*. 10 June 2002: <http://www.outlookindia.com/article.aspx?215989>. Bharil Jain. “ISI money flows into Kashmir through Britain.” *The Economic Times*, 30 May 2002: <http://articles.economictimes.indiatimes.com/2002-05-30/news>; “Hurriyat Leader Syed Ali Shah Geelani’s Arrest – ISI Funding for Kashmiri Militants.” *Insider’s Guide to Jammu and Kashmir*, 10 June 2002: <http://www.jammu-kashmir.com/insights/insight20020601a.html>; Praveen Swami. “The Hawala Trail.” *Frontline*, 19:18 (31 August – 13 September 2002): <http://www.frontlineonnet.com/fl1918/19180260.htm>.

Dr. Fai is similarly implicated in a late 1997 Kashmir police investigation into militant funding involving Syed Ali Shah Geelani and Hizbul Mujahideen. Sources: Ajit Kumar Singh. “J&K: Targeting Hawala.” *South Asia Intelligence Review*. Vol. 10, No. 20, 21 November 2011: [http://www.satp.org/satporgtp/sair/archives/sair10/10\\_20.htm](http://www.satp.org/satporgtp/sair/archives/sair10/10_20.htm); Manoj Joshi. *The Lost Rebellion*. Delhi: Penguin Books, 1999. p.110-112. “Multi-million scam funding militants unearthed in J&K.” Rediff.com. 23 December 1997: <http://www.rediff.com/news/dec/23kash.htm>; Praveen Swami. “APHC: The Nexus with Terror.” *South Asia Intelligence Review*. Vol. 1, No. 31. 17. February 2003: [http://www.satp.org/satporgtp/sair/Archives/1\\_31.htm](http://www.satp.org/satporgtp/sair/Archives/1_31.htm).

Please note, our research does not indicate that any of these allegations have been proven. See, for example, <http://www.frontlinekashmir.org/2011/06/dr-ayyub-thakur-great-son-of-kashmir.html>. See also, Manoj Joshi. *The Lost Rebellion*. Delhi: Penguin Books, 1999. p. 113.

<sup>74</sup> Mr. Mushtaq Jeelani was apparently quite involved in establishing these overseas offices, reportedly visiting Pakistan the week of June 8, 2003 for “detailed consultations with the Kashmiri leadership” on the subject of the APHC offices. Mr. Jeelani was further reported to have met with Dr. Fai, Dr. Thakur, and Mr. Trumboo (head of the Kashmir Centre European Union in Brussels, Belgium, as further detailed in notes 67 and 76) on the sidelines of the 59<sup>th</sup> session of the UN Commission on Human Rights in Geneva in April 2003 and had “approached the representatives of a number of countries there in connection with the opening of the Hurriyat’s [APHC] offices.” Source: “APHC goes global; moves afoot to open offices in US, Europe, M-E, Far East.” News Network International. 15 June 2003: <http://www.jammu-kashmir.com/archives/archives2003/kashmir20030615c.html>.

<sup>75</sup> Mohammad Imran. “JI to unite overseas Kashmiri leaders.” *Daily Times*. 16 January 2003:

[http://www.dailytimes.com.pk/default.asp?page=story\\_16-1-2003\\_pg7\\_3](http://www.dailytimes.com.pk/default.asp?page=story_16-1-2003_pg7_3); Masood Hussain. “APHC’s lesser known ambassadors who were assigned ‘supervisory’ role.” Kashmir Record and Research Council. 15 August 2000:

[http://www.11brinkster.com/krrc/news\\_detail.asp?id=2](http://www.11brinkster.com/krrc/news_detail.asp?id=2); “Pak envoy invites APHC (Abbas) leaders to Iftar party.” *The Tribune*. 6 November 2003: <http://www.tribuneindia.com/2003/2003/20031107/j&k.htm>.

While not similarly identifying Mr. Jeelani, Ved Prakash in his book, *Terrorism in Northern India: Jammu and Kashmir and the Punjab*, identifies both Dr. Thakur and Dr. Fai as Jamaat-e-Islami of Jammu Kashmir (JIJK) “representatives” who, through their organizations, make up part of the “the international propaganda institutions that spread the anti-India agenda objectives of the JKJEI [JIJK].” Source: Col. Ved Prakash. *Terrorism in Northern India: Jammu and Kashmir and the Punjab*. Delhi: Kalpaz Publications, 2008. p. 108.

<sup>76</sup> Mr. Trumboo, and the organization he heads, has also been reported to play a similar role to that of Mr. Jeelani, Dr. Fai, and Dr. Thakur. Source: News Network International. “APHC goes global; moves afoot to open offices in US, Europe, M-E, Far East.” 15 June 2003: <http://www.jammu-kashmir.com/archives/archives2003/kashmir20030615c.html>. See also note 67 and 74 above.



Kashmir, Pakistan, whose primary purpose is to promote Kashmir's right to self-determination, including internationally.<sup>77</sup>

Similarly, under the heading "Freedom Struggle",<sup>78</sup> the archived website for Jihad-e-Kashmir,<sup>79</sup> provides links to KCC, KAC, Jamaat-i-Islami Pakistan, the Kashmir Liberation Cell, APHC, and Hizbul Mujahideen.<sup>80</sup>

Given Mr. Jeelani's well documented stance on the Kashmir issue and his apparently close affiliation with Jamaat-e-Islami, the CRA takes particular note of the assertion made by IDF that it transferred funds to ROKM at his specific direction; that, in fact, all instructions as to where to direct the resources were issued by either Mr. Jeelani or by Dr. Ashraf who, as noted above, is also a director of both KCC and KRFC, with little to no involvement by the other board members.<sup>81</sup>

<sup>77</sup> [http://web.archive.org/web/20090107013854/http://www.klc.org.pk/about\\_us.html](http://web.archive.org/web/20090107013854/http://www.klc.org.pk/about_us.html);  
<http://web.archive.org/web/20040612083323/http://www.klc.org.pk/linsk/links.htm>;  
<http://web.archive.org/web/200710112002/http://klc.org.pk/links/links.htm>. According to information available on the archived version of the KLC's website, the organization has five objectives

1. Projection of Kashmir issue at National and International level.
  - a. Organize conferences, seminars, rallies, groups, discussions, walks, etc.
  - b. Print and publish literature on Kashmir.
  - c. Media projection of Kashmir issue.
2. Steps for accession of the State of Jammu & Kashmir to Pakistan.
3. Publications of history of Kashmir Liberation Movement.
4. All other matters which may be assigned to the Kashmir cell by the government.
5. Protection of human rights in Kashmir.

Source: [http://web.archive.org/web/20090107013854/http://www.klc.org.ok/about\\_us.htm](http://web.archive.org/web/20090107013854/http://www.klc.org.ok/about_us.htm)

Our research indicates that the KLC has also allegedly been used to fund militant activity in Kashmir. See Col. Ved Prakash. *Terrorism in Northern India: Jammu and Kashmir and the Punjab*. Delhi: Kalpaz Publications, 2008; Srikanta Gosh, *Indian Democracy Derailed: Politics and Politicians*. New Delhi, APH Publishing Corporation, 1997; Aditya Sinha, *Death of Dreams: A Terrorist's Tale*, Delhi: Harper Collins, India, 2000, p.177; and Anil Maheshwari, *Crescent over Kashmir: Politics of Mullaism*, Rupa & Co., India, September 1993. Please also refer to page 23 of this letter.

<sup>78</sup> The other two headings were "Educational Links" and "Media".

<sup>79</sup> The website is the online version of a fortnightly magazine of the same name that was banned in Pakistan as part of a government crack-down on the publications of jihadist and militant organizations. Our research variously identifies the Magazine as a publication of either Jamaat-e-Islami, Jamaat-e-Islami Jammu and Kashmir (JIJK), or Hizbul Mujahideen. Sources: "Amir Rana "Govt likely to ban four more groups, 15 publications." *Daily Times*. 17 November 2003:

[http://www.dailytimes.com.pk/default.asp?page=story\\_17-11-2003\\_pgl\\_2](http://www.dailytimes.com.pk/default.asp?page=story_17-11-2003_pgl_2); "Jihadi outfits running media organs: study," Pakistan Press Foundation. 12 January 2002: <http://www.pakistanpressfoundation.org/print-media/19432>; "Provinces told to stop publications of banned outfits." Pakistan Press Foundation. 15 March 2002: <http://www.pakistanpressfoundation.org/print-media/20505>; "22 magazines to be banned." Pakistan Press Foundation. 17 March 2002:

<http://www.pakistanpressfoundation.org/print-media/20554>. Muhammad Amir Rana. "Jihadi Print Media in Pakistan: An Overview." Pakistan Institute for Peace Studies. Oct-Dec 2008.

<sup>80</sup> <http://web.archive.org/web/20030204194306/http://www.jihad-e-kashmir.org.pk/desktop/links.htm>. While the list of links changed over the site's history, both KCC and KAC were consistently included since at least 1999.

<http://web.archive.org/web/19990824224808/http://www.jihad-e-kashmir.org.pk/kashonet/index.html>. This section of the website also provides links to the Kashmir Information Centre (KIC) (as detailed later, an organization associated to Jamaat-e-Islami), the Kashmir Council of Australia (KCA), the Kashmir Study Group, Jammu & Kashmir Liberation Front (JKLF), Jammu & Kashmir People's League, and Kashmiri Scandinavian Council. It is perhaps of note that the Kashmiri Scandinavian Council's website – which provides links to KAC, the Kashmir Centre EU, and the Justice Foundation/Kashmir Centre in the UK, but not to KCC – repeats the objectives posted on KCC's website verbatim, with changes only made to account for the difference in country of operation. However, its third object is improperly worded as follows: "To draw the attention of the Government of Norway, Sweden...and the need for Ottawa to show its pro-active..." Source:

<http://web.archive.org/web/20120426133545/http://www.kashmir.no/>. We have also noted that an article posted on its website details Syed Ali Shah Geelani's expressed appreciation for the Council's "services" in its support for Dr. Fai who was facing charges in the United States (see note 66). Mr. Geelani reportedly condemned the allegations being made against Dr. Fai, whom he lauded as "an ambassador of the Kashmir cause in the world." Mr. Geelani is identified in the article as the chief of APHC-G. Source:

[http://web.archive.org/web/20120223034827/http://www.kashmir.no/index.php?option=com\\_content&view=article&id=142:geelan-i-lauds-kashmiri-scandinavian-council-for-us-visit-to-meet-dr-fai&catid=1:latest-news&Itemid=50](http://web.archive.org/web/20120223034827/http://www.kashmir.no/index.php?option=com_content&view=article&id=142:geelan-i-lauds-kashmiri-scandinavian-council-for-us-visit-to-meet-dr-fai&catid=1:latest-news&Itemid=50)

<sup>81</sup> Follow-up interview at ISNA headquarters on March 7, 2012.



## Relief Organization for Kashmiri Muslims (ROKM)

With offices in Islamabad, Pakistan, and Muzaffarabad, Pakistan-administered Kashmir,<sup>82</sup> ROKM operates largely in the state of Jammu and Kashmir, including in Indian-administered Kashmir.<sup>83</sup> According to its website, ROKM

*...is a non profit, charitable and humanitarian organization led by volunteers and dedicated to assisting students, especially orphans [sic] of Kashmiri Martyrs. It helps the victim communities through providing the financial support for the reconstruction of demolished and torched houses and mosques at the hands of Indian occupation forces. ROKM also provides relief to refugee families living in the camps in AJK [Azad Jammu and Kashmir, or Pakistan-administered Kashmir].<sup>84</sup>*

An analysis of the wording used by ROKM on its website as well as the nature of its activities, leads the CRA to believe that it may be promoting a secondary politically-motivated agenda. For example, ROKM's main activities are described as the provision of support to the families of "martyrs"; the provision of support to the orphans of "martyrs"; the provision of support for the reconstruction of houses, shops, mosques and educational institutions destroyed by the Indian "occupation forces"; and the maintenance of medical facilities for "refugees of the 'freedom movement'".

Much of the same language and terminology also appears in the "Violence Update" section. This page provides statistics from January 1989 to December 31, 2011 on violence that has occurred in Kashmir.<sup>85</sup> As well as reposting several articles depicting the reported crimes of the Indian armed forces, the section also posts a series of graphic photographs under the title "Kashmir after 1990, a scenic view", including several images of dead and/or badly injured children.<sup>86</sup>

More detailed research into ROKM establishes strong ties between it and Jamaat-e-Islami; as detailed earlier, the same organization to which KCC's executive director, Mr. Mushtaq Jeelani, is reported to be closely affiliated with. In his book *Shadow War: The Untold Story of Jihad in Kashmir*, Arif Jamal, describes ROKM as a charity established by Jamaat-e-Islami of Indian controlled Jammu and Kashmir [JIJK] "to benefit casualties of the Kashmir jihad."<sup>87</sup>

Seemingly supporting this assertion, and as detailed in Appendix D, the CRA has identified a number of connections between ROKM and Jamaat-e-Islami, including through

<sup>82</sup> ROKM was registered as a NGO in Pakistan on April 23, 1996. The Pakistan NGO registry indicates that ROKM has locations in five districts: Sudhnutti, Mirpur, Bhimber, Muzaffarabad, and Rawalot / Poonch. It lists five fields of activity: Child Welfare, Women Welfare, Social Welfare, Education, and Health. Source: <http://www.ngosinfo.gov.pk/>

<sup>83</sup> <http://rokm.org>. See also section 1.3.2.

<sup>84</sup> <http://rokm.org>.

<sup>85</sup> For example, on the number of killings, houses/shops destroyed, children orphaned, women "gang-raped/molested" and widowed, purportedly at the hands of Indian forces. <http://rokm.org/violence.htm>.

<sup>86</sup> <http://rokm.org/kv-after1990.htm>. Please note that the armed insurgency in Kashmir is generally held to have gathered momentum in 1989. In 1990, the Jammu and Kashmir state government in India promulgated the *Armed Forces (Jammu and Kashmir) Special Powers Act* and *Jammu and Kashmir Disturbed Areas Act*, which gave police and military officials special powers and offers immunity from prosecution to those exercising powers under the acts. See, for example, Human Rights Watch. "Everyone Lives in Fear: Patterns of Impunity in Jammu and Kashmir." September 2006: <http://www.hrw.org/reports/2006/09/11/everyone-lives-fear-0>.

<sup>87</sup> Arif Jamal. *Shadow War: The Untold Story of Jihad in Kashmir*. New York: Melville House, 2009. p. 171.

its directors, its address, and its phone and facsimile numbers. The most noted individuals in this regard are:

Name	Position with ROKM
Ghulam Nabi Nowsheri	Chairman <sup>88</sup>
Professor Alif-ud-Din Turabi <sup>89</sup>	Secretary General <sup>90</sup>
Abdul (Abdur) Rashid Turabi	Undetermined <sup>91</sup>
Khalid Mehmood Khan	President <sup>92</sup>
Qazi Hussain Ahmad (Ahmed)	Undetermined <sup>93</sup>

Furthermore, the CRA has noted that many of these associated individuals are on the public record as having supported, or voiced support for, armed militancy in Kashmir, for example:

- **Ghulam Nabi Nowsheri:** Speaking at a 2011 APHC-Azad Jammu and Kashmir Chapter Self Determination Day seminar, Ghulam Nabi Nowsher, the Deputy Amir of Jamaat-e-Islami Jammu and Kashmir (JIJK),<sup>94</sup> is reported to have stated that “the

<sup>88</sup> <http://rokm.org/eqvictims.htm> and <http://rokm.org/appeal>

<sup>89</sup> Aside from his work at ROKM, Professor Turabi is listed as the Director General of the International Institute of Strategic Studies and Research. <http://iissr.org/profturabi.html>. Serving with Professor Turabi on the Institute's board of trustees is Professor Khurshid Ahmed, the Vice President of Jamaat-e-Islami Pakistan; and Abdul Rashid Turabi, the Amir of Jamaat-e-Islami Azad Jammu and Kashmir. Two other board members, Dr. Anis Ahmad and Hafiz Muhammad Idress also appear to be connected to Jamaat-e-Islami. See also page 25-27 and note 111 below for further information on Professor Ahmed.

<sup>90</sup> <http://rokm.org/eqvictims.htm>

<sup>91</sup> The Amir of Jamaat-e-Islami Azad Jammu and Kashmir seemingly plays a central role in ROKM's activities. In addition to the links depicted in Appendix D, his public Facebook page prominently features a series of photographs from July 2012 documenting his participation in a joint ROKM-World Assembly of Muslim Youth (WAMY) relief project ceremony held in Pakistan-administered Kashmir. CRA's translation of the Urdu-language caption accompanying the photographs reads as follows:

On behalf of ROKM program, goods and items are being distributed recognizing the legacy of the martyrs.

In the district of Naag, in Azad Kashmir, at a camp set up for the distribution of goods and items on behalf of

ROKM program, in recognition of the legacy of martyrs, Maulana Navi Nushhari [perhaps referring to

Ghulam Nabi Nowsheri] and other individuals appointed for the purpose gave speeches on this occasion.

<http://www.facebook.com/photo.php?fbid=448294681870543&set=a.448293535203991.106921.368464009853611&type=3&permPage=1>

We also note that Abdul Rashid Turabi was reported to have given an address at a March 15, 2002 Jamaat-e-Islami Azad Jammu and Kashmir reception hosted in honour of the KCC executive director, Mushtaq A. Jeelani. According to the article, Abdul Rashid Turabi gave an address at the event, stating that the “Kashmir freedom movement [had] entered a very sensitive phase that demands more responsibilities from the Kashmiri leaderships to take it to its logical end.” The article further reported Mr. Turabi as having stated that “the Kashmiri leadership have prepared a comprehensive action plan after hectic consultation to enhance the pace to the freedom struggle” and that, even in the face of “various conspiracies” to “sabotage the Kashmir freedom movement and label it as terrorism but the wise decision taken by the Kashmir leadership can save the movement and take it to its logical end.” Source: Government Information Network Pakistan. “Turabi for continued struggle” *The Nation*. 16 March 2002: <http://groups.yahoo.com/group/pakgovnet-kashmir/message/156> Further, several of the photographs provided to CRA during the last audit, and retrieved off of ISNA's server during the current audit, depict an individual who we hold to be Abdul Rashid Turabi handing out relief supplies as part of what was described to CRA at the time as a joint IDF-ROKM relief project.

<sup>92</sup> <http://www.ajkocouncil.com/NGODetail.asp?id=161>

<sup>93</sup> We note that Qazi Hussain Ahmad was reported to have died in Islamabad of natural causes in early January 2013.

<sup>94</sup> “JI for a Clear-cut Policy on Kashmir.” *JI Media News*. 10 May 1999:

<http://archive.org/web/19990128151827/http://www.jamaat.org/news/pr0510198.html>. We have also noted that Mr. Nowsheri has also been identified as JIJK's Foreign Relations Chairman ( [http://www.issi.org.pk/publication-files/1298966502\\_52425797.pdf](http://www.issi.org.pk/publication-files/1298966502_52425797.pdf)) a member of Syed Ali Shah Geelani's faction of APHC (APHC-G) ([http://www.jkth.org/Details/News/January 2010/18 jan](http://www.jkth.org/Details/News/January%2010/18%20jan)

blood of Kashmiri martyrs would definitely bring positive results and the day was not away when the people of Jammu and Kashmir would get rid of Indian bondage.”<sup>95</sup>

Participating at a 2002 APHC protest, Mr. Nowsheri is reported to have “asked the president, Gen Pervez Musharraf, not to discourage the ongoing militancy (Jehad) in the occupied territory as in his opinion India was not going to give freedom without a decisive fight.”<sup>96</sup>

- Professor Alif-ud-Din Turabi: As pertains to Professor Alif-ud-Din Turabi, the Vice Amir of Jamaat-e-Islami Azad Jammu and Kashmir (JIAJK), <sup>97</sup>our research indicates that he may have been directly involved in fundraising for the purposes of furthering the armed independence struggle in Kashmir. In the book *Indian Democracy Derailed: Politics and Politicians*, S.K. Ghosh makes the following assertion:

*The POK [Pakistan Occupied Kashmir] government had set up a Kashmir Liberation Cell,<sup>98</sup> headed by Air Vice Marshal (Retd.) Ayaz Ahmed Khan to collect money for a jehad [sic]. In July 1993, the Riyadh-based World Association of Muslim Youth (WAMY) carried an appeal for donations for a Kashmiri independent state and distributed leaflets calling for donations to be deposited with Alifuddin Turabi in Account No. 1155-701547, Emirate Bank International, Islamabad.”<sup>99</sup>*

We have noted that the above-cited bank account is the same account used by the monthly magazine *Kashmir al-Muslimah* for subscription purposes.<sup>100</sup>

Professor Alif-ud-Din Turabi is the editor in chief of this magazine, a publication of the **Kashmir Information Centre (KIC)**,<sup>101</sup> a reported department of Jamaat-e-Islami Azad Jammu and Kashmir (JIAJK)<sup>102</sup> located at the same address as ROKM.<sup>103</sup>

- Abdul Rashid Turabi: Addressing a 2008 Jamaat-e-Islami press conference, Mr. Turabi, the Amir of JIAJK, is reported to have stated that the “freedom movement of Kashmir was the guarantee of the sovereignty and stability of Pakistan.” At the conference, Mr. Turabi reportedly “paid tribute to the Kashmiri Mujahideen and those 2 million who had been martyred since the beginning of the freedom fight” and “applauded the efforts of Syed Ali Gillani and

---

2010.html) and a leader of Hizbul Mujahideen (Col. Ved Prakash *Terrorism in Northern India: Jammu and Kashmir and the Punjab*. Delhi: Kalpaz Publications, 2008. p. 77).

<sup>95</sup> Kashmiris sacrifice not to go waste: All Parties Hurriyet Conference.” *Balochistan Times*. January 5, 2011:

<http://www.thefreelibrary.com/Kashmiris+sacrifices+not+to+go+waste:+All+Parties+Hurriyet+Conference...-a0245917523>

<sup>96</sup> “APHC holds demo against polls in held Kashmir.” *Dawn*. September 25, 2002: <http://archives.dawn.com/2002/09/25/nat3.htm>

<sup>97</sup> Jamaat-e-Islami Azad Jammu and Kashmir website. <http://www.jiajk.org/qyadat.html>

<sup>98</sup> For information on the Kashmir Liberation Cell, please refer to page 19-20 above.

<sup>99</sup> SK Ghosh. *Indian Democracy Derailed: Politics and Politicians*. Calcutta: Law Research Institute, 1997. p. 262.

<sup>100</sup> <http://groups.google.com/forum/?hl=en-GB&fromgroups#!topic/soc.culture.maghreb/gUKVCqRXB9e>

<sup>101</sup> <http://www.ikhwan.net/archive/printthread.php?+=17625&page=3&pp=25>. Please note that KIC now appears to be called the Kashmir Information and Research Center (KIRC).

<sup>102</sup> Pakistan-administered Kashmir. [http://www.jiajk.org/shohba\\_jat.html](http://www.jiajk.org/shohba_jat.html)

<sup>103</sup> The Kashmir Information Centre's primary purpose is to provide analysis of updates on Kashmir. It also conducts research, publishes Arabic and English monthly papers, daily news, reports, booklets, pamphlets and books on Kashmir. It shares an address, a phone number, and a director with ROKM, and is, or has been, reportedly headed by JIAJK Amir Abdul Rashid Turabi. Source: <http://www.islamicfinder.org/getitWorld.pho?id=39659&lang=arabic>

**Syed Salah-uddin**, stating that “they through their historical struggle kept the movement alive in Kashmir.”<sup>104</sup>

A July 8, 2008 article reports on a news conference held by Abdul Rashid Turabi at which he is reported to have appealed to the newly elected Pakistan Peoples Party to rescind the policies of the Pervez Musharraf-led regime and “express solidarity with the heroic struggle of the Kashmiris at international level and play its role in exposing worst ever atrocities by the Indian machinery.” He reportedly further criticized the government of Azad Jammu and Kashmir (AJK), claiming that its policies on the issue had weakened the “freedom struggle.” According to Mr. Turabi, AJK’s role was to act as a “base camp”.<sup>105</sup>

A February 2002 article reports on an address given by Abdul Rasheed Turabi to the Hyderabad District Bar Association. In the article Mr. Turabi is reported to have voiced his support for the armed militancy in Indian-administered Kashmir. Criticizing the arrest of leaders in Pakistan who were staunch supporters of the jihad and the banning of Pakistani Jihadi organizations, he reportedly stated that the Kashmiri people would, nevertheless, continue their struggle “with all the powers at their command”.<sup>106</sup>

- **Qazi Hussain Ahmad:** A July 14, 2005 article in *Dawn*, reported that “President Muttahida Majlis-i-Amal (MMA) and amir Jamaat-i-Islami Pakistan Qazi Hussain Ahmed” had criticized General Pervez Musharraf for “creating confusion and chaos on Kashmir”. Speaking at the “Defend Kashmir Conference” organized by Jamaat-e-Islami Azad Jammu and Kashmir, he was reported to have stated that “General Musharraf had not only aggravated the Kashmir problem but he has become a mouthpiece of the Americans because he terms jihad as terrorism whereas, in fact, martyrdom and jihad are the only tools to liberate not only Kashmir but also the entire Muslim Ummah which is enslaved as well.” Mr. Ahmed was further reported to have stated that he was at a loss to understand how the Kashmir conflict could be resolved through a peaceful process of talks.<sup>107</sup>

An April 24, 2003 article quotes Mr. Ahmed as having stated “We have come here to send a message to the Indian rulers that the whole Ummah and the leaders of all religious schools of thought in Pakistan are morally supporting the Mujahideen and the oppressed Kashmiris.”<sup>108</sup>

<sup>104</sup> Nisar Mehdī, “Jama’at criticises peace process.” *The Nation*. 2 August 2008: <http://www.nation.com.pk/pakistan-news-newspaper-daily-english-online/karachi/02-Aug-2008/Jamaat-criticises-peace-process>.

<sup>105</sup> Tarig Naquash, “Rescind Musharraf policy on Kashmir: JIAJK.” *Greater Kashmir*. 8 July 2008: <http://www.greatkashmir.com/news/2008/jul/9/>

<sup>106</sup> “Hyderabad: Crackdown to affect Kashmir Jihad: JI.” *Dawn*. 5 February 2002:

<http://archives.dawn.com/2002/02/05/local21.htm>. We have noted Muhammad Amir Rana’s assertion in the book *A to Z of Jehadi Organizations in Pakistan* that, in addition to raising funds through the use of donation boxes throughout Kashmir and Pakistan, Jamaat-e-Islami has founded a number of different domestic and international foundations to fund the “jihadi cause” and aid the families of fallen mujahideen. He further contends that Jamaat-e-Islami has established separate funds for different programs, the largest being the Kashmir fund, which is administered by Abdul Rasheed Turabi of JIAJK. Source: Rana, Muhammad Amir. *A to Z of Jehadi Organizations in Pakistan*. Mashal Books: Lahore (Pakistan): 2004. p. 431, 448-49.

<sup>107</sup> “Qazi criticizes Kashmir policy.” *Dawn*. 14 July 2005: <http://archives.dawn.com/2005/07/14/nat36.htm>

<sup>108</sup> “MMA pledges support to Kashmiris.” *Dawn*. 23 April 2003: <http://archives.dawn.com/2003/04/24/nat22.htm>

Moreover, our research indicates that many of these same individuals have been identified as active participants both in defining Jamaat-e-Islami's role in the armed militancy in Kashmir and in establishing Hizbul Mujahideen. We note in particular the treatment of the topic in the two books *Shadow War: The Untold Story of Jihad in Kashmir* and *The Lost Rebellion*.

- *Shadow War: The Untold Story of Jihad in Kashmir*: In his book, Arif Jamal documents a secret meeting held in January 1990 in Nepal between the Pakistan- and the two Kashmir-based branches of Jamaat-e-Islami, JIAJK and JIJK.<sup>109</sup> Reportedly held in order to discuss Jamaat-e-Islami's participation in the "jihadi movement", its participants were recorded to have included Hakeem Ghulam Nabi of JIJK,<sup>110</sup> **Abdul Rashid Turabi** of JIAJK, **Professor Kursheed Ahmed** of Jamaat-e-Islami Pakistan,<sup>111</sup> Dr. Ghulam Nabi Fai, Dr. Ayub Thakur.<sup>112</sup> While present, **Syed Ali Shah Geelani** was not an official participant.<sup>113</sup> According to the author, the "pro-

<sup>109</sup> Arif Jamal. *Shadow War: The Untold Story of Jihad in Kashmir*. New York: Melville House, 2009. p. 142-143. The information obtained on this meeting and subsequent activities aimed at defining Jamaat-e-Islami's role in the armed militant movement is based on the author's interviews with first-hand participants, including, notably, Dr. Fai and Dr. Thakur.

<sup>110</sup> India-administered Kashmir.

<sup>111</sup> Our research notes that Professor Ahmed is the current Vice Amir of Jamaat-e-Islami Pakistan (Jamaat-e-Islamic Pakistan website: <http://jamaat.org/beta/site/page/44>), and that he holds a position on the Board of Trustees of the International Institute of Strategic Studies and Research. This is the same organization on whose Board Professor Alif-ud-Din Turabi, ROKM's Chairman, also sits (<http://issr.org/theorganization.html>). The CRA has also noted that Professor Ahmed is identified in a January 16, 2003 article as the lead individual tasked with establishing the overseas offices headed by Mushtaq Jeelani, Dr. Thakur, and Dr. Fai. Source: Mohammad Imran, "JI to unite overseas Kashmiri leaders." *Daily Times*. 16 January 2003: [http://www.dailytimes.com.pk/default.asp?page=story\\_16-1-2003\\_pg7\\_31](http://www.dailytimes.com.pk/default.asp?page=story_16-1-2003_pg7_31).

<sup>112</sup> Dr. Thakur and Dr. Fai were identified as having participated in the meeting in their capacity as members of the Islami Jamiat-i-Tulaba, the student-wing of Jamaat-e-Islami. Yoginder Sikand, in his journal article "The Emergence and Development of the Jama'at-i-Islami of Jammu and Kashmir (1940s-1990)", theorizes that JIJK's radicalization can be at least partially attributed to the action of Islami Jamiat-i-Tulaba, established in 1977 (including by Dr. Thakur): Jamiat, from whose membership JIJK was to draw its leadership, had affiliated itself with Islamic movements in the rest of the Muslim world – including through membership in the Association of Muslim youth (WAMY) and the International Islamic Federation of Students' Organizations (IIFSO) – and helped create an environment more conducive to the adoption of ideas of 'revolution' and 'struggle' against 'anti-Islamic' forces. At a time when JIJK was still formally committed to the peaceful methods laid out in its Constitution, Jamiat's leaders were more and more turning towards the use of violence as a means of achieving its goals. For example, in 1981, Jamiat's chief was reported to have appealed to the Kashmiri youth to 'throw out' the Indian 'occupiers' and to establish Islamic rule in the state. Source: Yoginder Sikand. "The Emergence and Development of the Jama'at-i-Islami of Jammu and Kashmir (1940s-1990)." *Modern Asian Studies*. 2002. Vol. 36, Issue 03. pp. 705-751. See also Praveen Swami. "Kashmir: The autumn of the jihad?" *The Hindu*. 19 February 2008: <http://www.hindu.com/2008/02/19/stories/2008021953140800.htm>.

<sup>113</sup> Arif Jamal. *Shadow War: The Untold Story of Jihad in Kashmir*. New York: Melville House, 2009. p. 283. Syed Ali Shah Geelani, is reportedly numbered as the "most well-known" of the "early Jama'at activists", having become a full-fledged member of the JIJK in 1953. He is described as the Party's chief ideologue, and has held many positions within JIJK, including that of long-time chief political spokesman and has held the title of Amir-e-Jihad. See Yoginder Sikand. "The Emergence and Development of the Jama'at-i-Islami of Jammu and Kashmir (1940s-1990)." *Modern Asian Studies*. 2002. Vol. 36, Issue 03. pp. 705-751; Yoginder Sikand. *Muslims in India Since 1947: Islamic Perspectives on Interfaith Relations*. New York: Routledge Curzon, 2004. p. 198; and Col. Ved Prakash *Terrorism in Northern India: Jammu and Kashmir and the Punjab*. Delhi: Kalpaz Publications, 2008. p. 107.

He is a well-documented supporter of the armed militancy in Kashmir; the biography on his Party's website stating that he "started a campaign for attracting the Muslim youth towards jihad (holy war) against the continued occupation of Kashmir by India" following his release from prison in 1986. Source: <http://jkth.org/Thefounder.php>.

See Yoginder Sikand. "The Emergence and Development of the Jama'at-i-Islami of Jammu and Kashmir (1940s-1990)." *Modern Asian Studies*. 2002. Vol. 36, Issue 03. pp. 705-751; Yoginder Sikand. *Muslims in India Since 1947: Islamic Perspectives on Interfaith Relations*. New York: Routledge Curzon, 2004. p. 198; and Col. Ved Prakash *Terrorism in Northern India: Jammu and Kashmir and the Punjab*. Delhi: Kalpaz Publications, 2008. p. 107. Furthermore, Syed Salahuddin, the leader of Hizbul Mujahideen, is reported to have stated he had no reason to enter into politics, as Syed Ali Shah Geelani's faction of APHC (APHC-G) represented Hizbul Mujahideen's goals and ideologies. Source: South Asia Terrorism Portal. 29 April 2011. [http://www.satp.org/satporgtp/countries/india/states/jandk/terrorist\\_outfits/hizb\\_ul\\_mujahideen\\_tl.htm](http://www.satp.org/satporgtp/countries/india/states/jandk/terrorist_outfits/hizb_ul_mujahideen_tl.htm)

Our research has also noted that Mr. Mushtaq Jeelani, Dr. Fai and Dr. Thakur have been identified as particular supporters of Syed Ali Shah Geelani (Sumir Kaul. "Division in Hurriyat over team to Pakistan." Rediff.com. 31 December 2000: <http://www.rediff.com/news/2000/dec/31jk2.htm>) and that their overseas offices had been established "in a bid to broad-base

jihād” elements were concerned about the nominally secular Jammu Kashmir Liberation Front’s growing influence, while the more moderates, including the then Amir of JJK, expressed vocal opposition to Jamaat-e-Islami’s overt participation in the militant movement, arguing that it would open the organization up to Indian assault.<sup>114</sup> The pro-militancy element reportedly secretly arranged for **Syed Ali Shah Geelani** to address the group, his impassioned speech succeeding in pushing the meeting’s participants to offer their support to the armed militant movement.<sup>115</sup>

The book further chronicles Jamaat-e-Islami’s association with Hizbul Mujahideen, indicating that, while JJK could not fully embrace the militant organization,<sup>116</sup> both Jamaat-e-Islami Pakistan and JIAJK could and did.<sup>117</sup> According to the author’s account, the later two organizations established constitutional structures that allowed them to run Hizbul Mujahideen, including through a secret committee, the **Jihad-i-Kashmir Committee**,<sup>118</sup> which was established to manage the armed militancy in Kashmir. For a time, according to the book’s author, the Committee, was the most powerful group determining the direction of the jihād. The Committee’s membership consisted of **Qazi Hussain Ahmed, Professor Khurshid Ahmed, Pir Syed Salahuddin, Amir Sahib, Ijaz Afzal, Jehangir, Ghulam Nabi Nowshehri, and Mushtaq Gilani**.<sup>119</sup>

- *The Lost Rebellion*: In this book, Manoj Joshi similarly addresses the issue of the entry of Jamaat-e-Islami into armed militancy in Kashmir:

---

his faction of the APHC [APHC-G]” (“Pak envoy invites APHC (Abbas) leaders to Iftar party.” *The Tribune*. 6 November 2003: <http://www.tribuneindia.com/2003/2003/20031107/j&k.htm>). In June 2002, Mr. Geelani is reported to have strongly condemned Syed Ali Shah Geelani’s arrest and demanded the “immediate and unconditional release” of Mr. Geelani and “all other Kashmir political leaders and activists”. Source: <http://www.muslimnews.co.uk/news/news.php?article=2794>. See also note 73 for details regarding allegations of militant funding, including Hizbul Mujahideen, made against Mr. Geelani and involving also Dr. Fai and Dr. Thakur.

<sup>114</sup> Arif Jamal. *Shadow War: The Untold Story of Jihad in Kashmir*. New York: Melville House, 2009. p. 142.

<sup>115</sup> Ibid. p.143. This opinion was shared with the author during his interviews with the participants, including with Dr. Fai and Dr. Thakur.

<sup>116</sup> As a result, according to Arif Jamal, JJK “ended up playing both sides, disavowing a connection to Hizbul Mujahideen while secretly working to support it.” Ibid. p. 162

<sup>117</sup> Ibid. p. 161-162.

<sup>118</sup> While not referring to the Committee by this name in particular, a September 10, 2000 article on the control of Hizbul Mujahideen stated that

“...from now onwards all the important decisions on behalf of the outfit will be made by a high-powered 12 member committee headed by **Qazi Hussain Ahmad**, the Amir of Pak JI...The decision was taken at a joint meeting of the leadership of the Jamaat-i-Islami (Azad Kashmir and Kashmir) and Hizbul Mujahideen (Pakistan and Kashmir-based) in Mansora. The meeting was presided over by **Qazi Hussain Ahmad, Syed Salahuddin, Professor Khursheed Ahmad, Syed Munawar Hassan, Abdul Rashid Turabi, Ghulam Nabi Nowshehri, Unam Talah** and the commander of Pakistan-based Hizbul Mujahideen Usman participated in the meeting. The committee has decided to merge the Pakistan and Kashmir-based groups of Hizbul Mujahideen and Syed Salahuddin has been named as the Amir of the now united Hizb. The committee will now have two Naib-Amirs – one each from Jamat-i-Islami Pakistan and Azad Kashmir. Moreover, there will be three members each from Jamaat-i-Islami Azad Kashmir and the Valley-based Jamaat-i-Islami. However, the chief commander (operations) will continue to be from Kashmir which means Abdul Majid Dar will retain his present position in the outfit. Hizbul Mujahideen will be liable to take the committee into confidence before taking any major decision. In effect, it is the decision of the committee that from now on will be considered as the decision of the Hizbul Mujahideen.”

Source: Wajid Abasi. “Pak Jamaat-e-islami takes over HM.” Kashmir Record & Research Council. 10 September 2000: [http://www11.brinkster.com/krrc/news\\_detail.asp?id=56](http://www11.brinkster.com/krrc/news_detail.asp?id=56) See also “Jel takes control of Hizbul Mujahideen.” *Express India*, 10 September 2000: <http://www.expressindia.com/news/ie/daily/20000912/ina12025.html>.

<sup>119</sup> Arif Jamal. *Shadow War: The Untold Story of Jihad in Kashmir*. New York: Melville House, 2009. p. 286

*In August 1988, a month after the JKLF's [Jammu Kashmir Liberation Front] launch of its 'war of liberation', the ISI [Inter Services Intelligence] directorate reportedly convened a meeting with the Azad Kashmir Jamaat-e-Islami chief **Abdul Rashid Turabi** and the head of the pro-Pakistan Tehrik-Jehad-e-Islami, **Muzaffar Ahmed Shah**, who had come across the LoC [Line of Control]. The subject of discussion was the means by which the movement could be directed towards Islamizing the liberation war and in the process, promoting merger with Pakistan.*

*They were aware that the J&K Jamaat [JIJK] was not too enthusiastic about the armed struggle. But as soon as the 400,000-strong crowds came out into the streets, braving bullets for the sake of 'azadi', a militant wing led by **Syed Ali Shah Geelani**, **Ghulam Nabi Nowsheri** and **Mohammed Yusef Shah** [Syed **Salahuddin**] was able to pressure its colleagues to jump into the fray. They immediately sent emissaries across the LoC to contact their Pakistani colleagues and through them, the ISI.*

*A strategy was shaped with the help of **Rashid Turabi** and the Pakistani Jamaat headed by **Qazi Hussain Ahmed** for the J&K branch of the outfit to take over the struggle.*<sup>120</sup>

Given the findings outlined above, it is the CRA's position that in acting as a conduit for KCC/KRFC and ROKM, IDF facilitated the transfer of resources that may have been used to support the efforts of a political organization, Jamaat-e-Islami and its armed wing, Hizbul Mujahideen. In so doing, IDF may have provided funds in support of non-charitable activities that are contrary to public policy and therefore may be found to have ceased to comply with the requirements under section 149.1 of the Act for its registration as a charity.

#### 1.3.2 Absence of due diligence/Failure of the board of directors to meet its fiduciary obligations

By virtue of their unique role, and as a means of "encouraging activities which are of special benefit to the community,"<sup>121</sup> registered charities receive privileged treatment under the Act. In addition to the income tax exemption that is also granted to non-profit organizations, registered charities are further afforded the advantage of being able to issue official donation receipts, whereby individual donors are eligible to receive tax credits for the contributions they make to registered charities.

As a result, the Canadian public contributes to every registered charity by virtue of the loss of tax revenue resulting from the income tax incentives that encourage charitable giving. The public, therefore, has a fundamental interest in ensuring that monies raised from the general public are used to fulfill their intended charitable purposes.<sup>122</sup>

A charity registered under the Act is required to be *bona fide*, meaning that it must be established and operated to confer a tangible or objectively measurable benefit upon the

<sup>120</sup> Manoj Joshi, *The Lost Rebellion*. Delhi: Penguin Books, 1999. p. 48.

<sup>121</sup> *Vancouver Society*, *ibid* no 1, para. 170.

<sup>122</sup> Position taken by the Public Guardian and Trustee of Ontario as outlined in *Pathak v. Sabha*, [2004] CanLII 10850 (O.S.C.), para. 10.



public, without personal or private gain.<sup>123</sup> What is more, the courts have placed extensive responsibility, known as fiduciary duties, on the directors of charities.<sup>124</sup>

As stated in Issue No. 21 – Winter 2005 of the CRA's *Registered Charities Newsletter*:

*...regardless of the province or territory in which they operate, directors [of charities], should not be passive. They have a fiduciary responsibility to ensure that a charity is being operated in the public interest. They have a duty of diligence that requires them to be knowledgeable about the workings of the charity and ensure that the charity and its assets are cared for properly.*<sup>125</sup>

Further, *Registered Charities Newsletter*, No. 22, March 2005, defines fiduciary responsibilities as

*...a duty to act for someone else's benefit exclusively. It is the highest standard of duty implied by law (e.g. trustee, guardian). For charities, this means to accept and hold a public trust to maintain, preserve, and develop the organization's resources to be used for charitable purposes, to ensure that the organization's activities remain charitable, and to manage the organization for the benefit of the public.*<sup>126</sup>

The fiduciary duties of the directors of charities are clearly laid out in Industry Canada's handbook, *Primer for Directors of Not-for Profit Corporations*,<sup>127</sup> and the Ontario Public Guardian and Trustee's document *Duties, Responsibilities and Powers of Directors and Trustees of Charities*.<sup>128</sup> Included amongst the identified responsibilities is the duty of due diligence and the exercise of power. Directors must further the objects of the organization and not be inactive or inattentive. The duty of due diligence requires active and concerted effort on the part of directors to be familiar with all aspects of the corporation, including its management and operation, thus enabling them to make informed decisions affecting the charity.<sup>129</sup>

<sup>123</sup> M. Chesterman. *Charities, Trusts and Social Welfare* London: Weidenfeld and Nicolson, 1979, p. 136; and see generally, *Gilmour v. Coats et al*, [1949] 1 All E.R. 848

<sup>124</sup> See, for example, *Ontario (Public Guardian and Trustee) v. Aids Society for Children (Ontario)*, [2001] O.J. No. 2170 (Q.L.) (O.S.C.J.); *Ontario (Public Guardian and Trustee) v. National Society for Abused Women*, [2002] O.J. No. 607 (O.S.C.J.); *Pathak v. Sabha*, [2004] CanLII 10850 (O.S.C.). *Victoria Order of Nurses for Canada v. Greater Hamilton Wellness Foundation*, [2011] CanLII 5684 (O.S.C.J.).

<sup>125</sup> <http://www.cra-arc.gc.ca/E/pub/tg/charitiesnews-21/charitiesnews-21-e.html>

<sup>126</sup> <http://www.cra-arc.gc.ca/E/pub/tg/charitiesnews-22/charitiesnews-22-e.html>

<sup>127</sup> See the handbook, *Primer for Directors of Not-for Profit Corporations*, available on Industry Canada's website at [http://www.ic.gc.ca/eic/site/clip-pdci.nsf/eng/h\\_c100688.html](http://www.ic.gc.ca/eic/site/clip-pdci.nsf/eng/h_c100688.html).

<sup>128</sup> Office of the Public Guardian and Trustee. *Charities Bulletin #3*, "Duties, Responsibilities and Powers of Directors and Trustees of Charities". <http://www.attorneygeneral.jus.gov.on.ca/English/family/pgt/charbullet/bullet3.asp>

<sup>129</sup> The duty of diligence refers to the obligation of directors to educate themselves about the corporation's mandate and all aspects of its operations. It is not enough to merely attend board of directors' meetings. The duty of diligence requires active and concerted effort on the part of directors to be knowledgeable and ready to make informed decisions affecting the corporation. As outlined in Industry Canada's handbook, responsibilities in this regard include:

- monitoring compliance with the corporate objects;
- supervising the operations of the corporation;
- ensuring regular meetings of the board of directors;
- attending and actively participating in board of directors' meetings;
- ensuring that minutes of corporate meetings are taken and that they accurately reflect the proceedings;
- ensuring that the resolutions adopted by the board are based upon informed decision of the directors;



Turning a “blind-eye” or not exercising due diligence where a director is aware or ought to be aware of malfeasance on the part of another director or another person – including in instances where that individual is acting outside of their authority in directing resources to pursue activities outside of the charity’s incorporating objects – is not acceptable. All directors have a duty to investigate any suspicious circumstances that suggest a charity’s property has not been properly used. Furthermore, action should be taken to address and correct the identified issues.

There is no evidence that IDF’s Board met its responsibilities in this regard. Rather, the general consensus of IDF’s directors was that IDF was allowed to operate as a “one-man board”,<sup>130</sup> with all operational decisions made by Dr. Ashraf.

We particularly note the failure of IDF’s Board in regard to its failure to exercise due diligence as pertains to the transfer of some \$285,587 in funds outside of Canada, almost all to the region of Kashmir. Whether these funds were destined for Pakistan- or India-administered Kashmir has not been determined, as IDF has failed to maintain the proper books and records, and the direction and control, necessary to confirm the nature and location of the activities this money was directed towards.

However, while the recipient of IDF’s funds – ROKM – is resident in Pakistan, its website notes it delivers its programming in the entire region of Jammu and Kashmir, including India-administered Kashmir:

- “...its field network is spread all over the state of Jammu and Kashmir.”
- “It helps victim communities through providing the financial support for the reconstruction of demolished and torched houses and mosques at the hands of Indian occupation forces.”<sup>131</sup>

The Kashmir region – particularly India-administered Kashmir – is embroiled in a protracted armed conflict between militant groups, most particularly the Hizbul Mujahideen, and the Indian armed forces. The situation is well documented in readily available public sources.

The most current Travel Report for India issued by the Department of Foreign Affairs and International Trade contains an official warning against all travel to Jammu and Kashmir.<sup>132</sup> Specifically, the report states:

*Foreign Affairs and International Trade Canada advises against all travel to the following regions:*

- 
- exercising independent judgement when voting in all corporate decisions, and not simply voting with the majority for no well-informed reason;
  - requiring senior management to provide them with any ongoing operational and program information;
  - monitoring and supervising the chief staff person and regularly assessing his or her performance; and
  - understanding and carrying out obligations under the corporation’s bylaws.

<sup>130</sup> As stated at the commencement interview, the entire quote in this regard was “For five years, there was a one-man board.”

<sup>131</sup> Ibid.

<sup>132</sup> [http://www.voyage.gc.ca/countries\\_pays/report\\_rapport-eng.asp?id=128000](http://www.voyage.gc.ca/countries_pays/report_rapport-eng.asp?id=128000)

a) *Jammu and Kashmir, with the exception of Ladakh via Manali or by air to Leh, due to sporadic terrorist violence [emphasis added] and street demonstrations.*

**There are risks of civil disorder and acts of terrorism in many districts of Jammu and Kashmir [emphasis added], and the Indian army has been given special powers in this region. The prevailing security threat remains at a high level. ... There are sporadic violent clashes between militants and Indian security forces in the Kashmir valley and Jammu region of the state. Occasionally, there are grenade attacks against security forces, which could also kill or injure civilians [emphasis added].**

Given the particular vulnerabilities associated with the region to which IDF is directing funds, the CRA would expect that IDF would have put in place strict provisions to ensure that the funds were directed towards charitable activities and were not instead, directly or indirectly, used as a means of support for, or benefit to, a terrorist entity.<sup>133</sup>

Instructions to this effect are in fact provided in the CRA document *Checklist for charities on avoiding terrorist abuse*.<sup>134</sup> The introduction to the checklist observes that, in order to maintain public confidence in the charitable sector, "*...the Government of Canada and charities need to protect the charitable sector from abuse, including the exploitation of charitable resources to support terrorism and other non-charitable purposes and activities*" and further notes that

*The factors that promote Canadians' high respect for charities can also make them vulnerable to exploitation by terrorist supporters. Charities bring people together for a common purpose and collective action. Some charities have a global presence, often in conflict zones or in places with little infrastructure, and frequently move money, people, and goods to and from these areas. Where there are no banks, charities may have to deal in cash or use alternative remittance systems. All this may unintentionally provide a network, and a cloak of legitimacy, for activities that support terrorism.*

The document informs readers that "*it makes good sense on many levels for charities to develop and implement sound internal governance and accountability procedures, financial controls, risk management systems, and transparent reporting, and to keep these things under regular review. These are among the best actions any charity can take to help protect itself against actual or alleged abuse of any kind, including allegations of fraud, money laundering, or support for terrorism*"

Although not exhaustive, the checklist provides charities with a list of questions it must ensure it has addressed in order to minimize the risk of its resources being redirected towards terrorist activities. Included in this list is the question "*Do you know your partners in delivering the work you are doing, and their affiliations to other organizations?*"

<sup>133</sup> Under Canadian law, a terrorist group means a listed entity or an entity that has as one of its purposes or activities facilitating or carrying out any terrorist activity

<sup>134</sup> <http://www.cra-arc.gc.ca/chrts-gvng/chrts/chcklsts/vtb-eng.html>

In effect, the above-cited document instructs charities to conduct meaningful due diligence on all aspects of its operations, including its partners or intermediaries in program delivery, in order to prevent a charity's resources from being used in a manner that would contravene Canadian law and the charity's requirements for ongoing registration, including ensuring that a charity does not operate in association with individuals or groups that are engaged in terrorist activities or that support terrorist activities. This due diligence is all the more important for those charities operating in politically volatile and/or war-torn regions.

The CRA has been provided with no indication that IDF took any efforts to investigate the merits of ROKM. In fact, during the initial audit interview when the CRA posed the questions "Who is ROKM?" and "Why was ROKM chosen?", the CRA was informed that the directors had no information on the activities the funds were directed towards and knew nothing about ROKM. As stated earlier, the funds were simply remitted to ROKM at the behest of KCC/KRFC's Executive Director, Mr. Mushtaq Jeelani, or Dr. Ashraf, with seemingly no questions asked by the other board members.

All registered charities are expected to take the necessary steps to ensure compliance with the requirements for registration. As outlined above, due diligence measures are a matter of good governance, that can, if conscientiously and genuinely implemented, serve to lessen the risk that a charity's resources will be used in a manner that could result in revocation. It is apparent that IDF's directors failed to conduct any meaningful due diligence measures, and, therefore, failed to ensure that IDF met the requirements of the Act for its continued registration.

## **2. Failed to comply with or contravened any of sections 230 to 231.5 of the Act**

Subsection 230(2) of the Act requires that every registered charity keep records and books of account at an address in Canada recorded with the Minister or designated by the Minister containing information in such form as will enable the Minister to determine whether there are any grounds for the revocation of its registration under the Act.<sup>135</sup> A failure to maintain proper books and records in accordance with the requirements of the Act is itself sufficient reason to revoke an organization's charitable status.<sup>136</sup>

The audit indicates that the books and records kept by IDF are inadequate for the purpose of the Act. During the course of the audit, the following deficiencies were noted:

<sup>135</sup> Subsection 248(1) of the Act defines a record as follows that it "includes an account, an agreement, a book, a chart or table, a diagram, a form, an image, an invoice, a letter, a map, a memorandum, a plan, a return, a statement, a telegram, a voucher, and any other thing containing information, whether in writing or in any other form."

<sup>136</sup> *College Rabbiniq de Montreal Oir Hachaim D'Tash v. Canada (Minister of the Customs and Revenue Agency)*, (2004) FCA 101; subsection 168(1) of the Act.

- a) Failed to provide documentation on direction and control over its programs outside Canada

IDF reported in its Registered Charity Information Returns (T3010) that it had expended a total of \$243,239 on activities outside Canada for the period under audit.<sup>137</sup> The CRA requested on a number of occasions for access to IDF's records pertaining to these amounts;<sup>138</sup> however, to this day, IDF has failed to provide such documents and demonstrate that its resources were used for its own activities in pursuit of charitable objects. As a result, the CRA is unable to satisfy itself that IDF should maintain its registration.

- b) Failed to maintain adequate records or minutes of its board of directors meetings

IDF failed to maintain adequate records or minutes of its Board of Directors meetings. Minute books are an integral part of books and records of a charitable organization because they explain, among others, the decision-making process of the charity, historical information on operational and financial decisions the charity has considered and made, and the organization's minds with respect to its operations.

Such records were requested in the list of "required information and documentation" accompanying our audit commencement letter, dated October 11, 2011, to which, IDF responded that "all records pertaining to the IDF business [are] missing from the head office," purportedly removed by Dr. Ashraf, the-then Treasurer/Secretary for the period under audit, without authorization when he resigned his position.

When the meeting minutes were requested from Dr. Ashraf at a subsequent interview with him, Dr. Ashraf stated that he had left all such documents at ISNA headquarters. In response to our specific request for copies of the minutes, Dr. Ashraf explained, that, while he did not have hardcopies, they had been emailed to all board members following the meetings, so they should still be accessible electronically.

A search of electronic database that was captured as part of audit procedure only uncovered minutes that were dated September 29, October 7 and 20, and December 31, 2009. No such records were found for 2007 or 2008, even though IDF's by-laws require a board of directors meeting at least once a year. Of additional concern is IDF's own assertion that these documents can not be relied on as a reliable record of the actual proceedings, the directors having claimed that the minutes had been fabricated to reflect decisions that were never made.<sup>139</sup>

137

YE	Amount	T3010 Box No.
2009	104,864	200
2008	80,005	5400
2007	58,370	5400
	<u>243,239</u>	

<sup>138</sup> The CRA requested the books and records on the amounts in question 1) on our audit commencement letter, dated October 11, 2011; 2) at the initial interview, conducted in the week of November 28, 2011; and 3) for the amount relating to ROKM, yet again, at a supplementary interview conducted on March 6, 2012, with the Organization's founder and the former Secretary General of ISNA, Dr. Mohammad Ashraf.

<sup>139</sup> As described by IDF's Board of Directors at the November 2011 interview.

Therefore, it is our view that, for each of the reasons mentioned above, IDF has failed to meet the requirements set out in subsection 230(2) of the Act. The Minister may revoke the registration of a charity because it failed to comply with or contravened sections 230 to 230.5, pursuant to paragraph 168(1)(e) of the Act.

**3. Issued a receipt for a gift or donation otherwise than in accordance with the Act and its Regulations (Regulations 3500 and 3501, and paragraph 168(1)(d) of the Act)**

A registered charity is in contravention of the Act and its Regulations when it issues donation receipts that contain incorrect, incomplete, or deliberately false information. The purpose of the registration system for charities under the Act is to ensure that only those organizations that are registered may provide official donation receipts. The integrity of the system is seriously breached when a registered charity colludes with an unregistered organization for the purpose of providing tax relief for donations that are not made to that registered charity, a practice known as a third-party receipting. A registered charity may not issue receipts for gifts intended for an unregistered organization, or allow an unregistered organization to use its charitable registration number.

As described below, and in section 1.2 of this letter, IDF appears to have engaged in a third-party receipting scheme when it entered into a funding arrangement with non-registered organizations, the KCC/KRFC. As set out in the scheme:

- KRFC raised funds purportedly for relief activities in Kashmir.<sup>140</sup>
- KRFC then transferred the raised funds, along with a donor's list, to IDF.
- IDF issued donation receipts to the individuals on the list as provided by KRFC, and either returned the funds to KRFC, or transferred them directly to ROKM.

Over the three-year period under audit, IDF issued \$92,892, out of the total receipted amount of \$161,059, as part of this third-party receipting scheme, representing approximately 58% of total reported donations.<sup>141</sup>

It is therefore our preliminary view that IDF issued donation receipts in contravention to the Act and Regulation 3501. Such a non-compliance practice is significant enough that, for this reason alone, it constitutes grounds for revocation pursuant to paragraph 168(1)(d) of the Act.

<sup>140</sup> Reviewed records indicated that one of the methods KRFC used to raise money was the use of a fundraising form, entitled "An Appeal for Urgent Action," see Appendix A. The form instructs donors to make cheques payable to IDF, and send the completed form and cheques to KRFC.

<sup>141</sup> A tracing of funds that were sent off to KRFC/ROKM to the source of funds and the donor's list indicated that the yearly amounts, and percentages, relating to third-party receipting were as follows:

YE	09	08	07	Total
Third-party Receipted Amount	46,938	29,934	16,020	92,892
Total Issued Tax Receipts, per Donors List	61,224	39,015	60,820	161,059
Third-party Receipted over Total Tax Receipts (%)	77%	77%	26%	58%

#### 4. Failed to file an information return as required under the Act or its Regulations

Pursuant to subsection 149.1(14) of the Act, every registered charity must, within six months from the end of the charity's taxation year, without notice or demand, file both an information return and a public return, namely, Registered Charity Information Return (T3010) with the applicable schedules for registered charities. The T3010 must be completed by a director, trustee or like official of the charity. By signing the return, the official certifies that "the information given on this form, the basic information sheet and any attachments is, to the best of my knowledge, correct, complete, and current."<sup>142</sup> The certification block also contains the warning "It is a serious offence under the *Income Tax Act* to provide false or deceptive information." A charity is not meeting its requirement to file an Information Return if it fails to ensure the accuracy of the information contained in its Return.

The CRA audit reveals that IDF improperly completed its T3010s as follows:

- a) Total donation amounts for which the charity issued receipts (line no. 4500, T3010)

A comparison on the receipted amounts between official duplicate receipts and the reported amounts on T3010 resulted in significant discrepancies for 2007 and 2008, as shown below:

YE	T3010 (1)	Duplicate Receipts (2)	Variance (1) – (2)
2007	84,269	60,820	23,449
2008	76,984	39,015	37,969
	<b>161,253</b>	<b>99,835</b>	<b>61,418</b>

As such, it is our preliminary view that IDF failed to accurately report its receipted donations on its T3010 for the 2007 and 2008 fiscal years.

- b) The nature of programs reported (section C, T3010)

IDF appears to have falsely reported to the CRA the nature of its programs in section C2<sup>143</sup> of its T3010 for the entire period under audit. Rather than accurately reflecting its actual activities, as discussed above, IDF provided the following description:

*To develop, establish and maintain facilities for places or worship, schools and community centres throughout Canada, primarily but not exclusively, in Muslim communities.*

*To provide financial and other assistance for the relief of poverty of needy persons in Canada, primarily but not exclusively, in Muslim communities with emphasis on the assistance of indigent immigrant families.*

<sup>142</sup> Under Section E, Certification, of T3010.

<sup>143</sup> The instructions provided on the T3010 pertaining to section C2 read as follows: "Describe how the charity carried out its charitable purposes during the fiscal period. Give detailed information so a reader can clearly understand what the charity actually did to fulfill its mandate. Describe the charity's ongoing programs and new programs in the spaces provided below..." More detail, including example descriptions, as to this section is provided in the CRA's guide "Completing the Registered Charity Information Return".

*To provide scholarships, bursaries, prizes and other forms of financial assistance to needy students in Canada.*

*To provide funds for the assistance or use of places of worship, schools and community centres throughout Canada.*

As explained in the CRA's publication, *Charities Connection*, a "return that contains unnecessary or incorrect information, or that omits information, can give a false impression of a charity's situation. Accuracy is crucial because the CRA uses the information to determine whether a charity is complying with its obligations under the *Income Tax Act*. The information on the return is also used by potential donors and the general public to evaluate a charity's effectiveness and efficiency."<sup>144</sup>

Deceptive practices, such as the provision of misleading information pertaining to an organization's activities on its T3010, cause harm to the public and to the integrity of the registration system for charities by deceiving donors or potential donors.<sup>145</sup> There is significant harm associated with a deceptive or misleading statement, regardless of whether the charity's conduct is intentional or negligent. A registered charity is required to ensure representations made by it, and those acting on its behalf, are fair, truthful, accurate, and complete.

It is our view that IDF failed to file returns that are correct and complete, and that it has improperly certified that it has filed correct and complete returns, as such, IDF has failed to meet the requirement of the Act to file a prescribed Information Return pursuant to subsection 149.1(14) of the Act. The Minister may revoke the registration of a charity because it failed to comply with or contravened paragraph of 168(1)(c) of the Act.

## **5. Conclusion**

On the basis of our audit findings, it is our view that for each of the reasons above there are sufficient grounds for the revocation of IDF's charity registration under subsection 168(1) the Act.

### **The Organization's Options:**

- a) No response

IDF may choose not to respond to the issues raised above. In that case, the Director General of the Charities Directorate may then consider a course of action that could include the issuance of a *Notice of Intention to Revoke* the registration of IDF in the manner described in subsection 168(1) of the Act.

<sup>144</sup> *Charities Connection*. No. 6 – May 2011. <http://www.cra-arc.gc.ca/chrts-gvng/chrts/cmmnctn/nwsltr/cnnctn/cnnctn06-eng.html>

<sup>145</sup> See also CRA's Guidance, *Fundraising by Registered Charities*, for information on activities resulting in harm to the public interest in the context of misrepresentations and fundraising. <http://www.cra-arc.gc.ca/chrts-gvng/chrts/plcy/cgd/findrsng-eng.html>

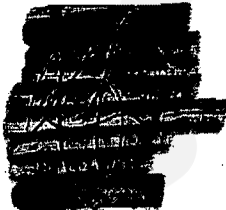
b) Response

Should IDF choose to respond, please provide written representations, and any additional information and documentation, regarding the findings outlined above that IDF wishes the CRA to consider within **30 days** from the date of this letter. After considering the representations submitted by IDF, the Director General of the Charities Directorate will decide on the appropriate course of action, which may include one of the following:

- No compliance action necessary;
- The issuance of an educational letter;
- Resolving the issues through the implementation of a Compliance Agreement; or
- The Minister giving notice of its intention to revoke the registration of IDF by issuing a Notice of Intention to Revoke in the manner described in subsection 168(1) of the Act.

If IDF appoints a third party to represent it in this matter, please send the CRA a written authorization naming the individual and explicitly authorizing that individual to discuss IDF's file. If you have any questions or require further information or clarification, please do not hesitate to contact the undersigned at the number indicated.

Yours sincerely



Charities Directorate  
320 Queen Street  
Ottawa ON K1A 0L5



**Attachments:**

Appendix A: Kashmir Relief Fund of Canada (KRFC) Fundraising Fliers

Appendix B: CBSA Forensic Laboratory Report

Appendix C: Kashmiri Canadian Council (KCC) Associated Entities Link Chart

Appendix D: Relief Organization for Kashmiri Muslims (ROKM) Link Chart



## APPENDIX A

### ROKM Fundraising Fliers

#### Contents:

“An Appeal for Urgent Action” and “Zabeeha for Kashmir”

## An Appeal for Urgent Action

*"(The truly virtuous are) those (who) fulfill their vows, and stand in awe of a Day the woe of which is bound to spread far and wide, and who give food - however great be their own want of it - to the needy, and the orphan, and the captive." The Holy Quran, 76:7-8*

- Even after years of military occupation, ground realities refuse to change! The unprecedented sacrifices and suffering experienced by the people of Kashmir against this volte-face in terms of death and destruction, life and property, torture and persecution, rape and repression over the years, particularly during the past 20 years, is much too great to go unrewarded. The conflict has made Kashmir a nation of orphans, martyr graveyards, widows, half-widows and political prisoners. The freedom struggle is now entering its twenty-first year with firm and unwavering courage and determination in the face of unspeakable suffering and injustices to achieve the right to self-determination.
- Let us not forget that a major segment of humanity in Kashmir is not only being denied their very basic human rights, but in certain situations they have also been stripped of their livelihood and find themselves without adequate food, clothing, or shelter.
- Moreover, it is important to note that there are no international relief organisations operating in Kashmir; the only source of material relief to the victims of this brutal occupation is individuals' support.

- Donations received by the Kashmir Relief Fund of Canada are remitted in full for Kashmir relief activities, minus bank charges and annual filing fee-Government of Canada, which is roughly two hundred dollars a year.
- This year's (2009) Financial Statement will be mailed to donors by the middle of next year and tax receipts will be mailed by the end of the year.

### Yes, I want to help the oppressed people of Kashmir!

☐ Zakat ☐ Earthquake ☐ Fitr ☐ Donation

Full Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ Province: \_\_\_\_\_

Country: \_\_\_\_\_ Postal Code: \_\_\_\_\_

Telephone: \_\_\_\_\_ Email: \_\_\_\_\_

Cheque enclosed for \$ \_\_\_\_\_

Please make your cheques payable to:

**IDF**

Mailing address:

**Kashmir Relief Fund of Canada**

P.O. Box 44516, 2376 Eglinton Ave. East

Toronto, Ontario M1K 5K3

### Relief being provided to:

1. Refugees in Azad Kashmir;
2. Families whose members are imprisoned or involuntarily disappeared;
3. Victims of arson;
4. Victims of rape and molestation;
5. Orphans and widows;
6. The infirm and ill;
7. The displaced families;
8. Earthquake relief and rehabilitation.

# ZABEEHA FOR KASHMIR

ALL-MIGHTY ALLAH SAYS:

"TO EVERY PEOPLE DID WE APPOINT RITES (OF SACRIFICE) THAT  
THEY MIGHT CELEBRATE THE NAME OF ALLAH OVER THE  
SUSTENANCE HE GAVE THEM FROM ANIMALS (FIT FOR FOOD)."

(AL-QUR'AN 22:34)

The Kashmir Relief Fund of Canada (KRFC) has made arrangements for animals to be slaughtered and the meat to be distributed on your behalf to the subjugated people of Jammu and Kashmir and the refugees in the area of Azad Kashmir.

Cost of a lamb / goat: \$130.00  
and

A cow: \$490.00 / one share \$70.00 (Azad Kashmir only)

*Last date to receive Zabeeha information is:*

**November 15th, 2010**

Make your cheques payable to:

**IDF**

Charitable Registration # 86391 9262 RR0001

Mailing address:

**Kashmir Relief Fund of Canada**

P. O. Box 44516, 2376 Eglinton Ave. East

Toronto, Ontario M1K 5K3

**For more information, please call:**

Kashmir Relief Fund of Canada: (416) 293-7017

Islamic Society of North America: (905) 403-8406

Islamic Centre of Toronto: (416) 769-1192

Email: [krfc@acanac.net](mailto:krfc@acanac.net)

## APPENDIX B

### CBSA Forensic Laboratory Report

#### Contents:

Copy of the Forensic Laboratory Report prepared by the Forensic Document Examination Section of the Science and Engineering Directorate of the Canada Border Services Agency for Canada Revenue Agency in February 2013.

## FORENSIC LABORATORY REPORT

Laboratory number: 173177

2013.Feb.07

Regarding: Image Assessment

### CONTINUITY AND DESCRIPTION

The following items were received on 2012.June.12 as attachment to a secure e-mail from [REDACTED] Charities Directorate, Review and Analysis Division, CRA, Ottawa, ON:

- Q1: One (1) suspect image file entitled '01.jpg' consisting of 880x557 pixels, 24-bit colour image data.
- Q2: One (1) suspect image file entitled '02.jpg', consisting of 912x496 pixels, 24-bit colour image data.
- Q3: One (1) suspect image file entitled '03.jpg', consisting of 400x300 pixels, 24-bit colour image data.
- Q4: One (1) suspect image file entitled '04.jpg', consisting of 400x300 pixels, 24-bit colour image data.
- K1: One (1) reference image file entitled '09.jpg' consisting of 848x590 pixels, 24-bit colour image data.
- A: Digital datafile entitled 'Photos of Winter Project.doc' consisting of a seven (7) page document in MS Word format containing, in part, depictions of Q1, Q2 and K1 on pages 1 and 6.
- B: Digital datafile entitled 'Zinc Sheets Distribution (2).doc' consisting of a twelve (12) page document in MS Word format containing, in part, depictions of Q3 and Q4 on page 1.

Please see Appendix 1 of this report showing the images Q1 to Q4 and K1.

Please see **Remarks 1** at the end of this report for additional information pertaining to the submitted material.

### PURPOSE

To determine whether or not the suspect images depicted in Q1 to Q4 have been manipulated or altered.

### METHOD

Images Q1 to Q4 were examined and assessed individually and in comparison to the other related images. All images were viewed on-screen at various magnifications using Adobe

Photoshop as the primary software and viewing platform and all work was performed on copies of the submitted files.

The suspect images were examined for inconsistencies in image detail suggesting manipulation and/or alteration of image content beyond the level of normal or routine imaging (see **Remarks 2** below). Limitations in the examination were noted and taken into consideration in the final assessment of the propositions under consideration.

The examination of each image involved an evaluation of the following image elements and features:

- **LIGHTING ELEMENTS:** the appearance of highlight and/or shadow areas in an individual image relating to internal light sources for the scene as well as the conformity of shadows to physical structures present in the scene,
- **IMAGE RESOLUTION:** the degree of detail visible in different elements within an individual image,
- **Composition of elements:** the general configuration of elements in a scene including size of elements, scale, perspective, patterns and texture components,
- **TONAL ATTRIBUTES:** tint, shading, hues and relative gradients of image elements in a scene (i.e., significant features would include the presence of inappropriate or unexpected lines or edge transitions in image areas that are expected to display even or balanced tonal gradation), and/or
- **INSERTION/EDIT ARTEFACTS:** specific features relating to digital image processing procedures or traditional photographic/darkroom editing methods (i.e., significant features would include abrupt tonal transitions, distortion of background elements, edit-fills to hide/obscure inconsistent elements, inappropriate blurring and/or unnatural repetitive features caused by copy-paste or 'rubber-stamp' duplication processes).

Each suspect image was examined individually for internal consistency between the various image elements within the depicted scene and/or relative to the expectations for normal, natural images or photographs of human subjects. Please see **Remarks 2** below for further information.

Subsequent to the examination of individual suspect images, select portions of different images were inter-compared to assess consistency between images. This type of inter-comparison is meaningful only for images depicting a similar scene or with elements common to both images. In this instance, Q1 and Q2 appear to show the same banner element/sign while Q3 and Q4 depict the same general scene. As a result, these pairs of images were inter-compared.

The observations resulting from each examination, both within and between images, were then assessed in terms of specific propositions (outlined below) to determine which proposition within each pair is better supported by the observations, and to what degree.

The following propositions were used when evaluating the observations from each of the suspect images, Q1 to Q4:

- H<sub>0</sub>: the image data is unaltered (i.e., it has not been manipulated beyond the level of normal imaging processes)
- H<sub>1</sub>: the image data has been altered (i.e., it has been manipulated beyond the level of normal imaging processes and is a composite, edited and/or artificial image)

See also **Remarks 3** for further explanation regard the possibility of an undetected alteration.

## OBSERVATIONS

Please note that all directional references (i.e., left/right) used in this report are to be interpreted from the point-of-view of someone viewing the image; not from within the depicted scene or image.

### General observations and limitations:

Both images **Q1 and Q2** display moderately high spatial resolution with all features of interest adequately resolved. In addition, the JPEG compression artefacts were minimal and did not affect the examination negatively. These images depict complex scenes with multiple human subjects and other materials. The two images are different scenes but there is one particular image element that is similar in both images; that is, the banner or sign element which reads (in whole or in part):

IDF ISNA CANADA  
KASHMIR RELIEF PROJECT 2005  
IMPLEMENTED BY  
RELIEF ORGANIZATION FOR KASHMIRI MUSLIMS

Images **Q3 and Q4** display relatively low spatial resolution given the size of the depicted scene and relatively strong JPEG compression artefacts (relating to a 'low quality' setting or multiple resaving operations during editing).

Both of these images depict the same, very complex, outdoor scene with multiple human subjects and other elements. Several of the same human subjects appear in both images but in different physical locations within the scene. Many of the scene elements are very similar and, in particular, the banner element visible in the centre of the scene is common to both images. The banner or sign reads (in whole or in part):

IDF ISNA CANADA  
KASHMIR RELIEF PROJECT 2006  
IMPLEMENTED BY  
xxxxx xxxxxxxxxxxxxxxx xxx xxxxxxxx (the last line is illegible and unresolved)

There are visual differences between Q3 and Q4 and some of these relate to the camera position used when capturing each image. Specifically, image Q4 was captured from a camera position closer to the central subject but positioned slightly to the left relative to the camera position used for image Q3.

Observations relating to individual images:

**Image Q1:** With the exception of the banner element in this image, the features observed in the image support the proposition that it consists of normal and unaltered image data.

However, with respect to the banner element in image Q1, the following features were noted:

- 1) The overall lighting source for the scene was located above and to the right projecting down into the scene. That light source, i.e., the sun, was reasonably strong and produced well-defined shadows for objects in the scene. Shadows from that light source appear to the left and below the corresponding item or element in the scene casting a particular shadow. In contrast, the shadows internal to the banner come from a light source positioned above and to the left (of the banner). The shadows internal to the banner element are, therefore, oriented in the opposite direction to those produced by the main light source in the scene. In addition, the source for the internal shadows on the banner is also relatively diffuse as compared to the main light source.
- 2) The shadow cast onto the wall by the banner shows distinctive damage (i.e., a tear). The shadow derives from the main scene light source and it is very well-defined and clear but there is no corresponding defect in the banner edge. Rather the edge of the banner appears to be smooth and undamaged. See image below.



Above: 3x enlargement of the area-of-interest in Q1 showing the shadow on the wall (red circle to left) and the corresponding banner area (red circle to right). Latter does not show any damage in the correct location.

- 3) The top edge of the banner suggests it is made of cloth or fabric and 'attached' along the top edge at four or five connection points so that it 'hangs' from a tarp



in the background. However, the banner does not show any folds or distortions at the connection points as would be expected for cloth or fabric.



Above: 2x enlargement of the area-of-interest in Q1 showing the top edge of the banner. The red arrows show the connection points which lack appropriate folds in the fabric of the banner. Note that the tarp material above and behind shows the expected type of 'triangular' folds (inverted in shape).

- 4) The banner is 'cut off' or truncated on the right side with the printed information ending part way through the "D" in "CANAD". While it is possible the banner might be folded back, this is also a location where small traces of white are observed along the edge of the banner (see next point and notes regarding the inter-comparison of Q1 and Q2 below).
- 5) A white fold of material appears to be hanging down from the banner area.



Above: 2x enlargement of the area-of-interest in Q1 showing a section of white material hanging down from the banner area.

In addition, there are traces of white in various locations around the edges of the banner possibly relating to an original image element that was white in colour.

These can be seen:

- a. Along the left edge near the top left-hand corner of the banner
  - b. On the bottom edge of banner near the large white fold of material
  - c. Along the right hand edge of the banner near the top
  - d. On the top edge of the banner above the "NA" in "CANAD"
- 6) Several edit artefacts were observed:
- a. Blurring along the arm of the subject in white standing in front of the banner,
  - b. Blurring and a small white patch at the left ear of the subject in white standing in front of the banner,
  - c. There is a small discontinuity in the 2<sup>nd</sup> "A" in "CANAD" above the same subject's head. That is, the letterform breaks before reaching the subject's head,

- d. There is a vertical bar from the building/structure in background that appears to overlap the bottom edge of the banner (near the "K").



Above: 3x enlargement of the area-of-interest showing (in the red circle) an apparent overlap of the building/structure with the banner.

It was also noted that the left edge of the overall image displays traces of another image. This suggests the image was produced with a second image or photograph physically overlapping it. This feature has no significance for the authenticity assessment but indicates Q1 is the product of at least two sequential imaging events.

**Image Q2:** With the exception of the banner element and the white image area around it, the features observed in the image support the proposition that it consists of normal and unaltered image data.

However, with respect to the banner element and the white image area around it in image Q2, the following features were noted:

- 1) The banner element was observed to be very similar to that in image Q1 but very distorted in terms of size and proportions. See comments below relating to the inter-comparison of Q1 and Q2.
- 2) The shadows observed internally in the banner or sign have a slightly different orientation relative to the lighting source for the overall image. However, it is difficult to accurately assess the direction of the overall lighting source, i.e., the sun, but it appears to have been located roughly above and central to the scene. In contrast, the shadows observed in the banner are consistent with a light source positioned to the left and above the banner.
- 3) The white area around/below the banner and behind the three subjects standing below the banner does not conform to the lighting in the scene. As can be seen at the bottom of the image, the material behind the three subjects consists of a corrugated metal panel similar to the others visible in the scene including the one being held (see images below). The panels are a bluish-grey colour and have a pronounced texture. It would be possible to produce such a 'blown-out' or white appearance with such panels but only by using extreme lighting conditions. None of the other elements in the image suggest the presence of any light source capable of achieving this effect (e.g., strong camera flash), nor of any imaging setting that

might practically produce it. Basically, the panel should not have this appearance given the general lighting in the scene.



Above: 3x enlargement of the background area at bottom of image Q2 showing the corrugated panel behind the subjects (red arrow is pointing to the panel).



Above: 3x enlargement of the background area next to the subject in Q2. Note the transition from the corrugated panel pattern to white.

- 4) The banner is 'cut off' or truncated on the left side with the 'K' letterform missing from the word 'Kashmir' and the edge of the banner positioned very close to the 'R' in 'Relief' (relative to its appearance in Q1).
- 5) Several edit artefacts were observed:
  - a. Within the white background area to the right of the banner, there are traces of what appears to be some cloth or fabric.
  - b. There is a mixture of sharp and blurred transitions around the heads of the three subjects standing in front of the panel. Overall, the transition effect is incorrect for all three subjects.
  - c. There are fine white lines along the left edge and the top edge of the banner element.
  - d. There is a highly significant 'halo' (gap) in the image content around the hand of the person standing to the left of the banner.



Above: 3x enlargement of the area-of-interest in Q2 showing the halo effect (gap) around the subject's hand and the missing 'K' form.

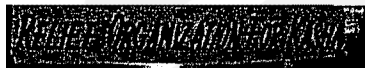
It was also noted that the left edge of the overall image displays traces of another image. This suggests that the image was produced with a second image or photograph physically overlapping it. This feature has no significance for the authenticity assessment but indicates Q2 is the product of at least two sequential imaging events.

#### **Observations from inter-comparison of images Q1 and Q2:**

Most of the scene elements in Q1 and Q2 were not directly comparable. However, as noted earlier, the banner element in both images displayed very similar internal features. At the same time, Q2 is distorted in overall size and proportions relative to Q1. With simple re-scaling and a slight rotation it was possible to directly superimpose the two banner images.

Once resized, the resulting correspondence in the text information and the common pattern of shadows and folds in the banner element indicated that a common 'source' image was used for both Q1 and Q2 banners. Having determined the banner images derived from a common 'source' image, it was possible to conduct further assessments of the features observed in the individual examination of these images (as outlined above).

The banner in Q1 is consistent with an image element being placed into an existing shape with the right side of the banner being cut off or deleted; Q2 shows the deleted information. A portion of the banner in Q2, on the other hand, was cut off on the left side as indicated by the missing K from Kashmir at the location where the image was edited to fit around the subject's hand and to stay within the existing shape/area available. Finally, it can be seen that the gap between the bottom-most text line and the edge of the banner varies considerably in Q1 and Q2. This is another visual effect consistent with fitting each image into available space. In Q1, the image was cut off but the text line and bottom banner edge remained 'aligned'; in Q2, the image was cut off in an uneven manner so that the bottom edge of the banner appears close to the text line at the left, and much further away at the right.



Above: Area-of-interest at bottom of Q1 banner showing 'even' gap between text and banner edge. Note that the image was rotated by the examiner to make the text line level.



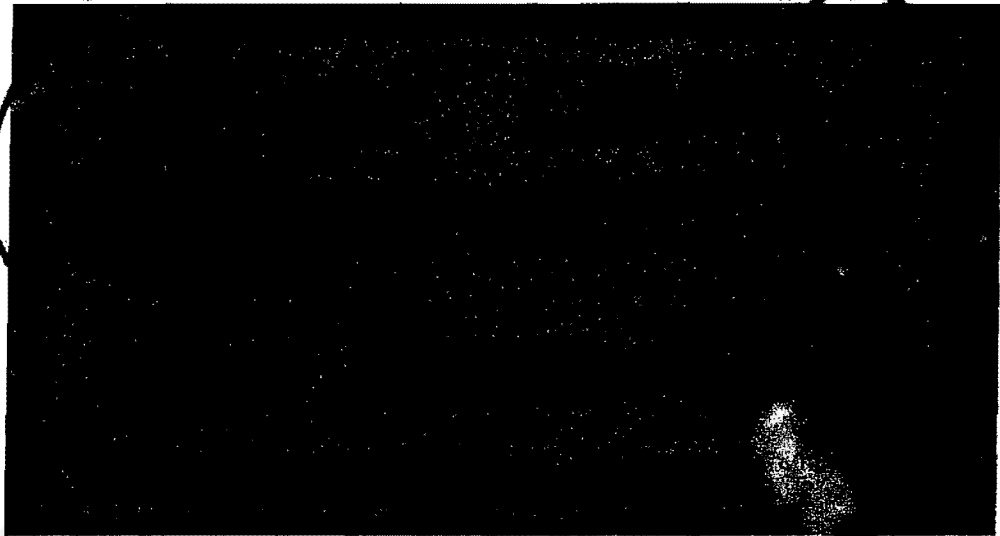
Above: Area-of-interest at bottom of Q2 banner showing uneven gap between text and banner edge. Note that in this image, Q2 has been transformed by the examiner to match the dimensions of Q1 making comparison easier.

#### **Images Q3 and Q4:**

The examination of Q3 and Q4 as individual images was severely restricted by the low spatial resolution and significant JPEG compression artefacts present in both images (see Remarks 3). However, a joint inter-comparison of the two images was conducted.

The image in both Q3 and Q4, while ostensibly of the same scene taken from slightly different camera positions, shows the 'same' banner element in the background. The banners display consistent shadow effects relative to the text indicating a common 'source' image was used for both. At the same time, the overall layout of the text appears to be significantly different in each image. This can be seen in the spacing or gap between the edges/sides of the banner and the text entries. The gaps are clearly present in Q3 but much narrower or missing in Q4 as shown in the following images.

Q3



Q4



Above: 4x enlargement of the areas-of-interest in Q3 (top) and Q4 (bottom).  
Note differences in positioning of the text relative to the edges of the banner. (note that Q3 was also enlarged by the examiner to match Q4 dimensions for easier comparison)

## INTERPRETATION and CONCLUSIONS

**Q1:** The observations outlined above for Q1 very strongly support the proposition that the image has been altered ( $H_1$ ) and provide no tangible support for the alternative that it is a normal, unaltered image ( $H_0$ ). In other words, the probability of the observed features if Q1 was not a composite/altered can be excluded for all practical purposes, in the absence of any other information or factors aside from those outlined in this report.

Therefore, it is my opinion that the image depicted in Q1 is an altered/composite image; specifically, in the area of the banner element within the image.

**Q2:** The observations outlined above for Q2 very strongly support the proposition that the image has been altered ( $H_1$ ) and provide no tangible support for the alternative that it is a normal, unaltered image ( $H_0$ ). In other words, the probability of the observed features if Q2 was not a composite/altered can be excluded for all practical purposes, in the absence of any other information or factors aside from those outlined in this report.

Therefore, it is my opinion that the image depicted in Q2 is an altered/composite image; specifically, in the area of the banner element within the image.

**Q3 and Q4:** As noted above in the observations outlined above, limitations relating to low spatial resolution and significant levels of JPEG compression restricted the examination of images Q3 and Q4 on an individual basis.

An evaluation of the observations derived from the joint inter-comparison of the two images was possible with a key feature being the difference in the text layout within the banner element of the two images. It was necessary to consider select aspects of the imaging process that might introduce distortions into an image. These were, specifically, the effect of a different camera position for the two images as well as the effects of JPEG compression and its potential to produce the observed features.

In Q3, the layout of the text on the banner is clearly visible and includes a noticeable gap at either end of the text lines relative to the banner edge. Yet the banner in Q3 was imaged from a greater distance than in Q4. Given this, all aspects of the banner should be (very slightly) enlarged and these gaps should be at least as visible as they are in Q3, but they are not.

The camera in Q4 was positioned slightly to the left relative to the position used for Q3. This difference corresponds to a horizontal re-positioning relative to the banner surface which should produce some lateral distortion of rectangular shapes in the image (e.g., the banner). However, the degree of image distortion would be small for this change in angle and balanced across the width of the rectangular area (i.e., the banner). No significant distortion of this nature was observed in image Q4.

The process of JPEG compression can produce changes in image content (such as distortion or deletion of select data) particularly if the image was resaved multiple times after editing, or if a low quality/high compression setting was used. While there is a strong visible effect from JPEG compression in both Q3 and Q4, the compression process would not produce the differences in text layout and spacing seen in the banner in Q4. Any distortion from compression would have been on a smaller scale and would have affected the image in a similar manner throughout the image.

All of the observations outlined above are in line with expectations under the alternative proposition; that is, that the image data in Q3 and Q4 has been altered ( $H_1$ ).

Please note that a key assumption in the evaluation process was that Q3 and Q4 are supposed to be images from the same scene with the same physical banner present. This assumption is supported by the consistent shadow effects in the banner indicating a common 'source'. However, if this assumption is not considered to be valid then the conclusion would change.

Overall, the observations very strongly support the proposition that images Q3 and Q4 have been altered ( $H_1$ ) and provide no tangible support for the alternative that these are normal, unaltered images ( $H_0$ ). In other words, the probability of the observed features if Q3 and Q4 were not composite/alttered images can be excluded for all practical purposes, in the absence of any other information or factors aside from those outlined in this report.

Therefore, it is my opinion that images Q3 and Q4 are altered/composite images; specifically, in the area of the banner element within each image.

## REMARKS

1. Reference CONTINUITY AND DESCRIPTION, please note that K1, A, and B were not used directly in the assessment of Q1 to Q4. They are listed for continuity purposes only.

Note: Q3, Q4 and K1 all depict some human subjects who appear to be the same in each image with some wearing the same clothing. This suggests the images were taken within a limited time-frame.

Please also note that no markings were applied to the submitted items as they are all in the form of digital data. Printouts of each item were prepared in the laboratory and placed on the casefile for reference; however, all examinations, analyses and evaluations were based upon the digital versions of the information.

2. Reference METHOD and the phrases "beyond the level of normal imaging processes" and "relative to the expectations for normal, natural images or

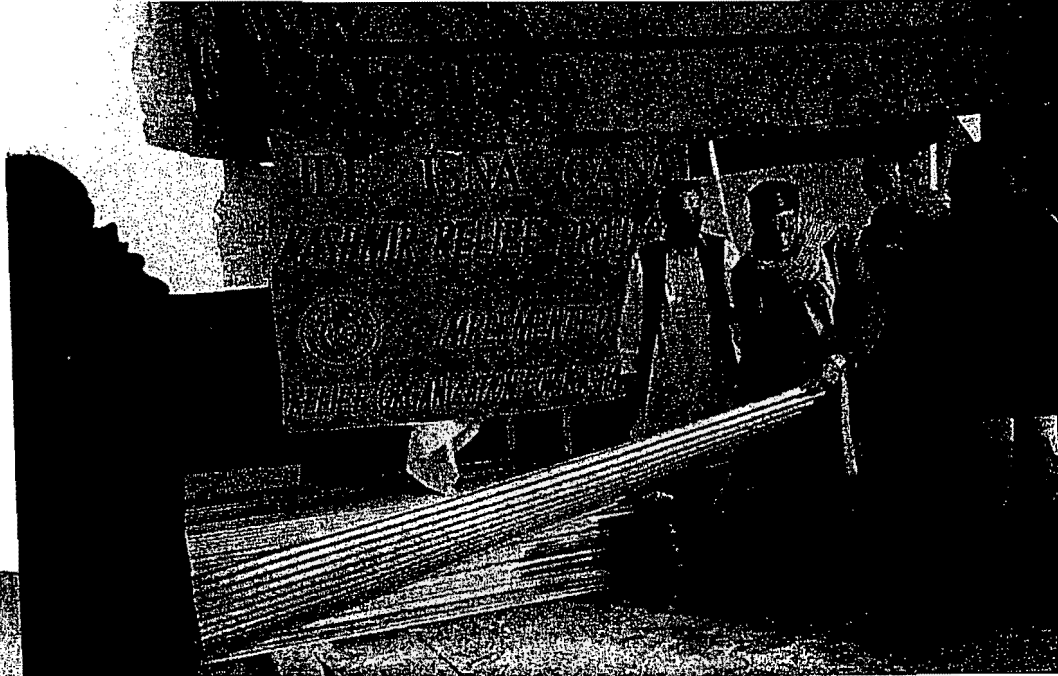
photographs of human subjects”, the latter are important criteria used in the evaluation and assessment process. Modern imaging processes often involve functions such as edge sharpening, tonal adjustments or selective blurring to enhance images, sometimes automatically and without user input or selection. Any image features relating to that type of function are considered ‘normal imaging processes’ unless the effect is extreme or inconsistently applied in the image. In addition, unless otherwise indicated, images are assessed in accordance with expectations based upon lighting and optics used when capturing images of human subjects in natural scenes.

3. Reference METHOD and the possibility of an undetected alteration, the methods presently used to examine and assess images for potential alteration cannot preclude the possibility of an undetected alteration. In other words, the examination process is aimed at detecting alterations based upon the presence of image features or artefacts caused by the alteration or editing process. However, some processes leave very few artefacts and most are dependent upon the skill of the person doing the imaging or editing. It is unlikely, but possible, that an alteration could be made without detectable traces being present in the resulting image data. Therefore, it is not possible to guarantee an image has not been altered. At the same time, if the image quality is good (high resolution, properly focused, etc.) then the absence of any evidence of alteration provides some support for the belief that an image is in its original form and state.
4. Reference OBSERVATIONS relating to Q3 and Q4, images that have been captured with insufficient sampling to resolve ‘fine’ details of the image content or scene (i.e., low spatial resolution) generally do not permit complete assessment of image details. Another complicating factor arises from JPEG compression artefacts that may be present in an image, particularly if a high compression-ratio or low image quality setting was used. This issue can be further exacerbated by repeated resaving in a JPEG format after editing an image. Each image is, however, unique and it is sometimes possible to reach a limited conclusion despite such limitations.
5. Please contact this office directly if there are questions about the examination process or this report. See also Appendix 2 for qualifications of the examiner.

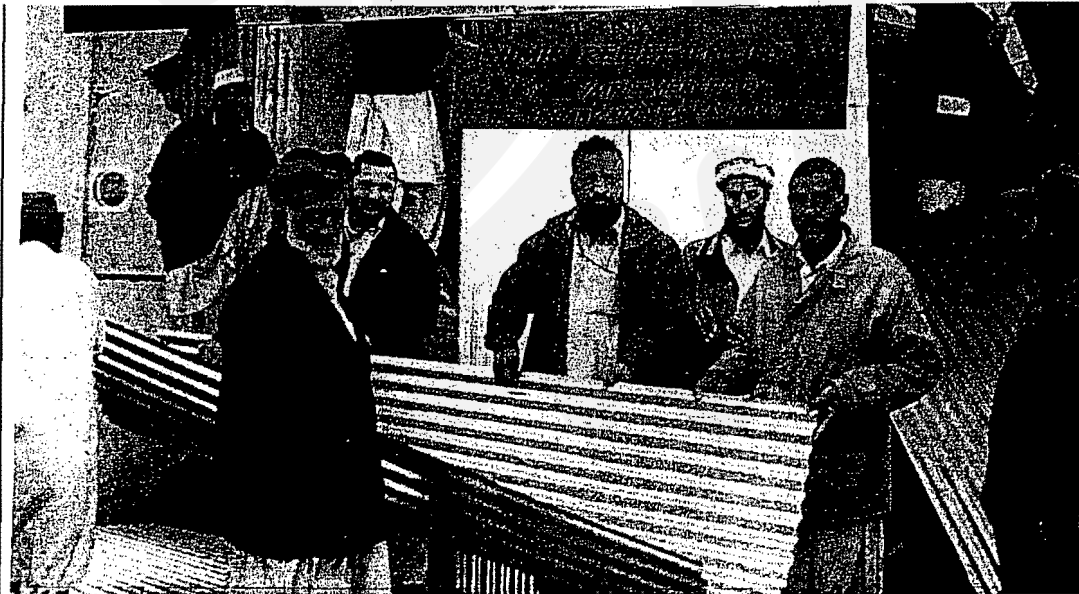


## APPENDIX 1: Submitted images

The following show the image files as received. Image specifications are shown below each image:



Q1: 01.jpg (Original file size: 880x557 px, 24-bit colour, file format jpeg)



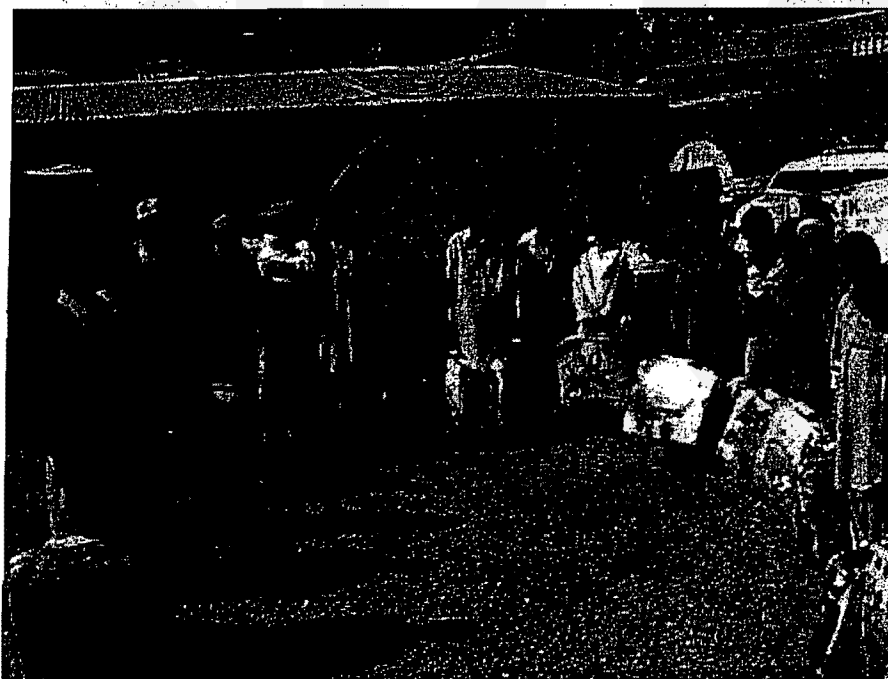
Q2: 02.jpg (Original file size: 912x496 px, 24-bit colour, file format jpeg)

(Appendix 1, continued)

**APPENDIX 1 (continued): Submitted images**



Q3: 03.jpg (Original file size: 400x300 px, 24-bit colour, file format jpeg)



Q4: 04.jpg (Original file size: 400x300 px, 24-bit colour, file format jpeg)

(Appendix 1, continued)

APPENDIX 1 (continued): Submitted images

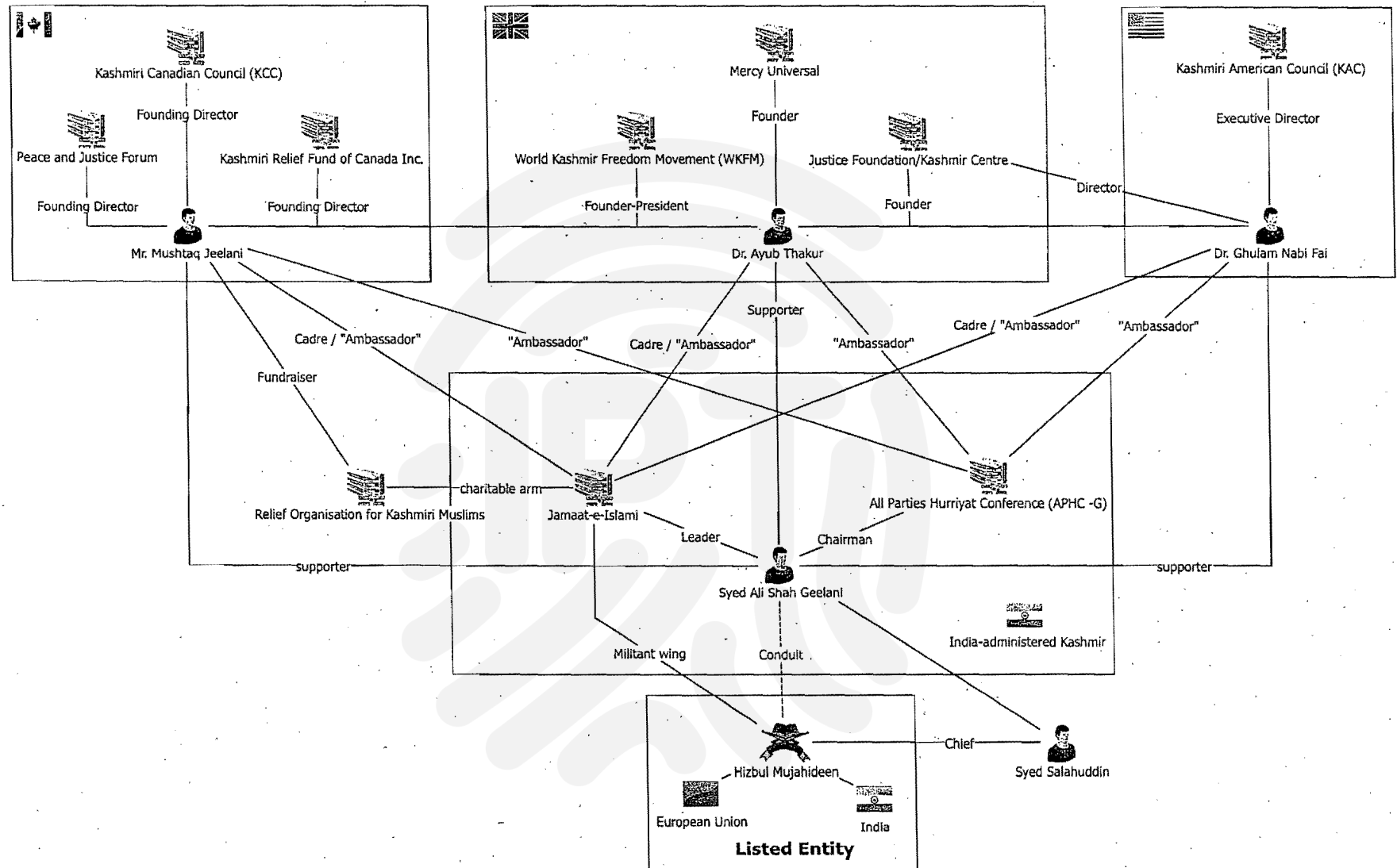


K1: 09.jpg (Original file size: 848x590 px, 24-bit colour, file format jpeg)

## APPENDIX C

### Kashmiri Canadian Council (KCC) Associated Entities Link Chart

## Appendix C: Kashmir Canadian Council Link Chart



## APPENDIX D

### Relief Organization for Kashmiri Muslims (ROKM) Associated Entities Link Chart

## APPENDIX D: Relief Organization for Kashmiri Muslims Associated Entities Link Chart

