

(01/26/1998)

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FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 08/27/1998

To: Baltimore
Cleveland

Dallas

Detroit

Indianapolis
Jacksonville
Kansas City

Los Angeles
Memphis
National Security

Newark
New Orleans
New York
Washington Field

Attn: SA [redacted]
SA [redacted]
Attn: SSA [redacted]
SA [redacted]
Det [redacted]
Attn: SA [redacted]
SA [redacted]
Attn: SA [redacted]
Attn: SA [redacted]
Attn: SA [redacted]
SA [redacted]
SA [redacted]
Attn: SA [redacted] (S)
Attn: SA [redacted]
Attn: SS [redacted]
IOS [redacted]
Attn: SA [redacted] (S)
Attn: SA [redacted]
Attn: SA [redacted]
Attn: SA [redacted]
SA [redacted]
SA [redacted]

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ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED EXCEPT
WHERE SHOWN OTHERWISE

From: CHICAGO

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Contact: SA ROBERT G. WRIGHT, JR.

Approved By: [redacted] b7C

Drafted By: WRIGHT ROBERT G. JR. : rgw

Case ID #: 265C-CG-101942 (Pending)

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Title: [redacted] (S)

OO: CHICAGO

GRAND JURY MATERIAL - DISSEMINATE PURSUANT TO RULE 6(e)

Synopsis: Summary and goals of the investigation as of 8/27/98.

4/8/02
CLASSIFIED BY: 60267 N/SEP/LS
REASON: 1.5 (C)
DECLASSIFY ON: X 1
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265C-G-101942-682
b1 [redacted] (S)

To: Baltimore From: CHICAGO
Re: 265C-CG-101942, 08/27/1998

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Details: Through the course of this investigation evidence has been collected which clearly establishes that the HAMAS terrorist organization has created a highly sophisticated, diversified and wide spread criminal enterprise throughout the United States. The HAMAS criminal enterprise (the enterprise) derives a major portion of its funds through such illegal activities as international money laundering, racketeering, income tax fraud, bank fraud, wire fraud and mail fraud.

The investigation has revealed that the enterprise was first established [redacted]

[redacted] as early as 1986. The original funding for the enterprise was directly wire transferred from [redacted] directly into the bank accounts of [redacted]

[redacted] and several of the enterprises front organizations. The funds were then laundered through various bank accounts throughout the U.S. Ultimately the money was either laundered directly to the Middle East for terrorist purposes or it was laundered to various locations throughout the U.S. to establish the U.S. based enterprise.

In the beginning, the co-conspirators used previously established non-profit Muslim student organizations to launch the creation of the enterprise. [redacted]

[redacted] Although there are hundreds of these organizations located on campuses throughout the U.S., the enterprise used both [redacted]

Within the first four years the enterprise established many for-profit and not-for-profit organizations, each of which serves a specific purpose within the enterprise. [redacted]

[redacted]

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In order to sustain the rapid growth the enterprise has enjoyed in the U.S. for the past decade, the proceeds of these illegal activities have been increasingly used not only to finance international terrorism, but also to purchase property, homes, businesses, stocks and other investments in the U.S. In addition, the proceeds have been used to finance the education of members within the enterprise.

The enterprise has grown in membership and has amassed a financial fortune at an alarming rate during the past ten years. The enterprise has achieved these successes, in part by abusing the freedoms and rights guarantee by the U.S. Constitution. Members of the enterprise enter the U.S. as visitors or students and later apply for citizenship, for the purpose of taking advantage of our civil rights laws and freedoms. When a member of the enterprise becomes a U.S. citizen, he becomes an even greater asset to the enterprise.

As a naturalized U.S. citizen, the member can better aid the enterprise in conducting illegal activities, the intent of which is to violate and disrupt U.S. policies and interest, within the U.S. and overseas. Should the member be investigated or arrested he will claim his rights as a U.S. citizen and seek to prevent U.S. authorities from investigating him or demand that the U.S. Government assist in obtaining his release from custody in another country.

The leaders of the enterprise understand the weaknesses of the United States Government. For years they have realized that U.S. government agencies do not share information with one another nor conduct joint investigations. However, in the Spring of 1996, a Chicago INS agent and two FBI agents from the Chicago Joint Terrorism Task Force (J.T.T.F) attempted to interview known associates of a convicted HAMAS terrorist. Some of the interviewees bragged that they had been in the U.S. illegally for years and the U.S. government could not do anything to them. Most of the interviewees, legal as well as illegal aliens,

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admitted they had never paid federal income taxes to the U.S. government. The Chicago leaders of the enterprise were upset when they learned the INS and FBI were working together to investigate members of the enterprise.

When inquiries of this type or any type are initiated by any government agency into the enterprise or one of its members, the enterprise immediately attempts to quash the inquiry by means of intimidation. For example, during the Spring 1996, joint INS and FBI interviews, the enterprise attempted to protect itself, as it always has, by claiming that the joint INS and FBI interviews were violating the civil rights of the interviewees. The enterprise further claimed the agents actions were motivated because of the interviewees religious and political beliefs.

In the summer of 1996, leaders of the Chicago enterprise traveled to Washington D.C. to complain in person to the White House and to the FBI Director. When the leaders of the enterprise realized their trip to Washington failed to stop the joint INS and FBI investigation, the enterprise leaders threatened to file a civil law suit against the three agents for violating the civil rights of the interviewees. Attorney's for the enterprise told the Chicago enterprise leaders that the agents were acting within the scope of their employment and did not violate the interviewee's civil rights when they attempted to question individuals regarding their known association with a convicted terrorist.

In the very beginning, the enterprise identified and abused another weakness of the U.S. Government, the tax exemption

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[REDACTED]

Therefore, to capitalize on this weakness of the U.S. Government, the enterprise has established a majority of its organizations as [REDACTED]

[REDACTED] On June 9, 1998, over \$1 million was seized from the Quranic Literacy Institute (QLI.), one of the enterprises organization. The QLI is in a three level apartment building located in a residential area and is [REDACTED] assumed by the families of the QLI president and vice president [REDACTED]

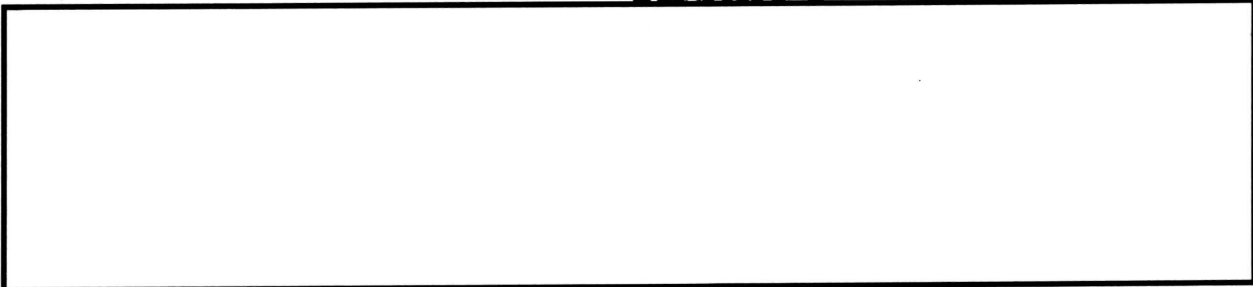
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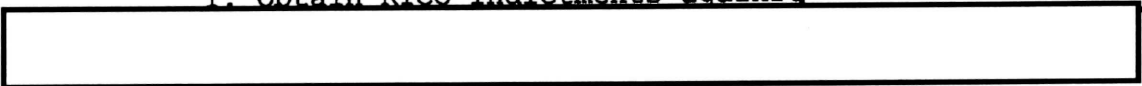


The criminal activities of this enterprise weakens the nation's economic system, interferes with free competition, seriously burdens interstate and foreign commerce, threatens domestic security, and undermines the general welfare of the U.S. and its citizens.

On June 9, 1998, the Chicago J.T.T.F., consisting of the INS, Chicago Police Department, U.S. Secret Service, U.S. Customs Service, U.S. State Department, CIA and the FBI seized approximately \$1.5 million in cash and assets from the enterprise through a civil seizure action. This seizure was the first seizure of terrorist related funds and assets by the U.S. Government. Since the seizure, the enterprise has hired a lobbyist, contacted numerous national and local politicians, denounced the seizure on C-Span, and met with top ranking officials of the Department of Justice in an attempt to protect the enterprise from future criminal and civil actions by the FBI and the United States Attorney's Office.

On August 26, 1998, a meeting was held at Chicago to discuss the results of the investigation to date, future direction of the case, and case goals. The meeting was attended by members of the Chicago J.T.T.F., the Internal Revenue Service, the U.S. Postal Service, and US Attorney's Office. Since there is an overwhelming amount of evidence which establishes that HAMAS established its U.S.-based enterprise through criminal activity, the [redacted] investigation will now focus on (S) RICO violations of racketeering, international money laundering, wire fraud, mail fraud, and bank fraud. The goals of the investigation are as follows:

1. Obtain RICO indictments against [redacted]



2. Seize the assets of those indicted (bank accounts, homes, vehicles, investments and businesses) which were obtained with the funds from the enterprise's criminal activities.

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3. Seize the assets (bank accounts, land, buildings, vehicles, and investments) of the enterprise's not-for-profit organizations located within the U.S.

4. Seize the assets (bank accounts, land, buildings, vehicals, and investments) of the enterprise's for-profit corporations located within the U.S.

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Any and all classified documents obtained by Chicago are being placed into a separate "classified" sub-file which has been created for each subject. Chicago has not, and will not, utilize any classified material to secure a grand jury subpoena. In addition, since the sub-files are classified, the subjects will not obtain them during the discovery stage of the criminal or civil proceedings. Chicago agents will review the classified material to aid in determining the subject's possible degree of importance in the criminal enterprise.

The following is a list of subjects and organizations targeted for indictment, as well as the unclassified and classified sub-file numbers:

UNCLASSIFIED

"CLASSIFIED"

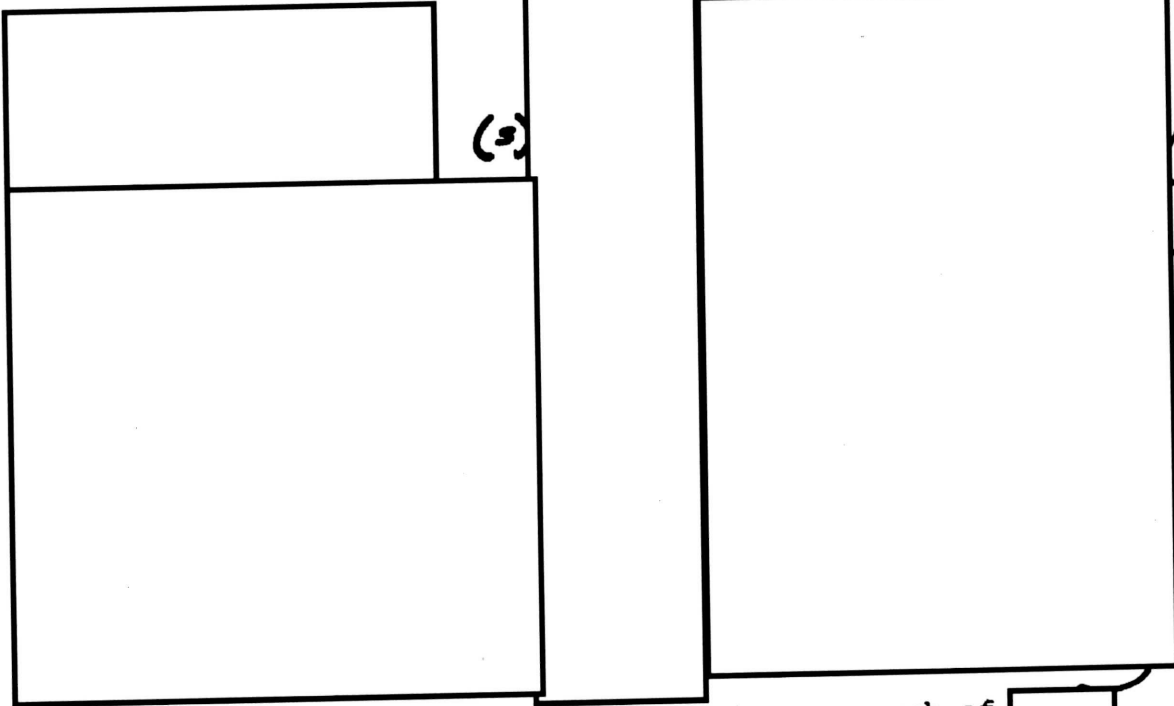
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For information of Dallas, during a search of [redacted]
[redacted] Chicago identified [redacted]

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[redacted] Chicago is aware of Dallas' intent to open a criminal investigation on [redacted] and three subjects associated with [redacted]
[redacted] Chicago has recently subpoenaed [redacted] of [redacted] and will provide a copy of these [redacted] to [redacted] Dallas once Chicago obtains the records [redacted]

LEAD:

All receiving offices:

For information only.

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