



Column: Terror Watch

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12:15 PM EDT March 10, 2004



Taken for a Ride

An indicted crack-dealing informant told the FBI he could lead agents to bin Laden. Guess what happened next?

WEB EXCLUSIVE

Newsweek

Updated: 4:52 p.m. ET March 10, 2004

March 10 - In the frantic months after September 11, Justice Department prosecutors arranged to release an indicted Detroit crack dealer after the man claimed he could help the FBI locate a higher priority target: Osama bin Laden.

But once the accused trafficker, Nageeb Al-Haidari, was ^{advertisement} free, he allegedly continued to deal drugs—and then fled the country without providing any useful information about the Al Qaeda leader, federal law-enforcement sources tell NEWSWEEK. "He's a fugitive," says Michael Liebson, the assistant U.S. attorney in Detroit who had originally overseen Al-Haidari's case when asked this week about the accused crack dealer's status. "I have no idea of his whereabouts."

The U.S. government's dealings with Al-Haidari are likely to become one piece of a rapidly expanding and highly sensitive internal Justice Dept. investigation. That probe is into the handling of a Detroit counter-terrorism case that has turned into a major embarrassment for the government.

Amid allegations of misconduct by federal prosecutors and mismanagement by the Justice Department, Attorney General John Ashcroft recently named a "special attorney" to investigate the case and "related" matters—including the FBI's relationships with confidential informants and witnesses who purported to provide information helpful to the war on terrorism.

The previously unpublicized case of Al-Haidari raises new questions

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about the handling of those informants. It also sheds light on the sometimes extraordinary lengths the Justice Department has gone to to develop intelligence about the Al Qaeda threat.

According to federal and Michigan law-enforcement officials, the Al Haidari case is especially striking because the information that the 34-year old accused drug dealer passed along to the FBI seemed improbable on its face. He claimed that through conversations with bin Laden's brother-in-law, he learned that the Al Qaeda leader was residing in Yemen.



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Al-Haidari, who grew up in Yemen, first made these claims in the spring of 2001, when bin Laden was well known to be living more than 2,000 miles away in Afghanistan. "It was

preposterous," said one official familiar with Al-Haidari's claim.

Al-Haidari could not be located this week by NEWSWEEK. His lawyer, David Steingold, said he had not conferred with his client in some time and he believes he is out of the country. Asked whether Al-Haidari sought to pass along information about bin Laden to the FBI, Steingold said: "I can't talk about any information that my client said in any meeting with the government." As for the crack cocaine charges, Steingold said: "He's innocent until proven guilty."

It is not at all uncommon for alleged criminals to attempt to bargain for their freedom by offering up information about other targets. In many cases, federal prosecutors will agree to drop pending criminal charges, free them from prison and even pay them substantial informant fees—if they have reason to believe their information is accurate. But even by the generally loose standards under which such deals are made, the Feds' arrangement with Al-Haidari appears to be unusual.

Court records show that Al-Haidari was indicted, along with a co-conspirator Marwan Farhat, by a federal grand jury on five counts of crack dealing in March, 2001. At the same time, Al-Haidari was facing separate state charges from the Wayne County prosecutor's office of possessing a loaded firearm in a motor vehicle, committing a felony with a firearm and fleeing a police officer—charges that his lawyer said stemmed from a fight in a bar.

Wayne County court records show that Al-Haidari was arrested on a

Wayne County, court records show that Al-Haidari was arrested on a bench warrant related to the state charges in May, 2001. But by then, he was already bargaining for his freedom with federal prosecutors and FBI agents by making expansive claims about his knowledge of bin Laden and the Al Qaeda network.

Al-Haidari, who was born in the United States but who returned to Yemen at a young age, told the feds that he had worked with the CIA in Yemen and knew Bin Laden's brother-in-law there, according to sources familiar with an FBI report on his interrogation. (Bin Laden has many brothers-in-law and it is not clear if Al-Haidari ever identified which one he knew.) Al-Haidari also claimed to know others that worked for bin Laden. He said he could contact bin Laden and his associates at "any time" and could provide the FBI with names, telephone numbers, and addresses.

Al-Haidari also made several other claims. He said that Bin Laden was protected by 20 bodyguards (seven of whom he knew well enough to personally approach). He claimed that he had the telephone contacts for Al Qaeda fighters in Afghanistan. And he asserted that bin Laden's network was behind the bombing of the USS Cole off the coast of Yemen in October, 2000—a link that had already been prominently reported in the press.

Haidari also claimed that he could help the FBI with other cases relating to drug dealing in the Detroit area. Whatever he told the agents appears to have made a big impression, law-enforcement records suggest. On Oct. 16, 2001, while Haidari was residing in a Detroit jail and about to be sentenced on the state charges, the U.S. attorney's office in Detroit sent a letter to Paul Bernier, the assistant Wayne County prosecutor who was handling his case, urging that the defendant be freed.

The letter said that Al Haidari "has recently provided valuable information to federal law enforcement" and that the "level and extent of his cooperation would be greatly enhanced if he were to be released on bond, pending sentencing" on the state charges. The letter is signed by the U.S. attorney Alan Gershel and Eric M. Straus, a top prosecutor in the office. It appears to have done the trick: Court records show that Al-Haidari was soon released. Convicted on two of the three counts he was facing (fleeing a police officer and possessing a loaded firearm in a car), he was sentenced to three years probation. Gershel and Straus did not return phone calls from NEWSWEEK seeking comment.

But once on the streets, law-enforcement sources say, Al-Haidari's value as an informant was questionable—and the FBI soon got warnings from another informant that he was continuing his drug activities. That informant also claimed that Al-Haidari had been

activities. That informant also claimed that Al-Haidari had been involved in other alleged criminal conduct that he had never disclosed to the Feds, despite being paid \$9,000 in informant fees by the FBI, according to a law-enforcement source familiar with the matter.

Among the other criminal conduct that Al-Haidari had allegedly participated in-prior to his arrangement with the FBI-was the brutal beating with baseball bats of a Dearborn doctor. The assault-for-hire allegedly took place at the behest of a local pharmacist who was angry that the doctor had opened up his own rival pharmacy and was depriving him of customers, according to an account given to the FBI by another of the participants.

While federal prosecutors never pursued the crack charge, Al-Haidari violated the terms of his state probation and a bench warrant was issued for his arrest in June, 2002, court records show. In addition, sources say, Robert Pertuso, the FBI agent in charge of Al-Haidari, was warned by another informant that Al-Haidari was about to flee to Yemen.

Pertuso is a key figure in the ongoing inquiry into the handling of informants by federal law-enforcement in Detroit—one aspect of the internal Justice Department probe. A flamboyant 26-year veteran agent who prided himself on his ability to recruit valuable informants, Pertuso recently retired amid a barrage of embarrassing disclosures that rocked the Detroit FBI office. In one case, the Detroit News reported that another of Pertuso's informants—Marwan Farhat, Al-Haidari's co-defendant in the crack dealing case—had written a letter claiming that he had spied on 242 Muslims, stole mail and broke the law at Pertuso's direction.

Yet another Pertuso informant, a convicted armed robber named Myron Strong (AKA "Big Man") last month was arrested and charged in an elaborate scheme that bilked the Detroit FBI office of \$164,000 in informant fees by fabricating evidence about a supposed international drug ring. As part of the scheme, Strong allegedly set up Willie Hulon, the special agent in charge of the Detroit FBI office, by conducting scripted conversations with his associates (who were being monitored by the bureau) that appeared to implicate an FBI official named "Willie" in leaking bureau information to the drug traffickers. Hulon has since been cleared of any wrongdoing and, after a brief reassignment, is now back running the Detroit FBI office.

An FBI spokeswoman says Pertuso is no longer an FBI employee and that no information was available about his current whereabouts. The spokeswoman said the FBI had no comment about the bureau's dealings with Al-Haidari. Asked about the quality of information that Al-Haidari provided the U.S. government about bin Laden and other aspects of the war on terrorism, Dickson, the assistant U.S. attorney



aspects of the war on terrorism, Liedson, the assistant U.S. attorney who had originally indicted the informant on crack charges, responded: "I have no idea what information he provided—if any."

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