

# Congressional Testimony

## **Examining Current Terrorist Financing Trends and the Threat to the Homeland**

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**Hearing before House Homeland Security Committee  
Counterterrorism and Intelligence Subcommittee**

Washington, DC  
May 12, 2016



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Chairman King, Ranking Member Higgins, and distinguished members of this subcommittee, on behalf of the Foundation for Defense of Democracies, thank you for inviting me to testify today. As a former terrorism finance analyst at the U.S. Department of the Treasury, I commend you for keeping a focus on this crucial aspect of our national security.

This testimony is based on FDD's most recent findings about a network of former employees and donors from organizations that provided material and financial support to the terrorist organization Hamas, but who now work for or on behalf of an Illinois-based organization called American Muslims for Palestine (AMP). My testimony today should be of particular interest to this subcommittee. It builds on findings I submitted to Congress last month, while highlighting new areas of concern.<sup>1</sup>

### **American Muslims for Palestine**

American Muslims for Palestine's mission, according to its website, is "all about educating people about Palestine."<sup>2</sup> FDD has determined that the group is a leading orchestrator of the so-called Boycott, Divestment and Sanctions (BDS) campaign, which can be best described as a concerted campaign to delegitimize and wage economic warfare against the state of Israel.

AMP states that it has existed for more than a decade, first as a "strictly volunteer organization" beginning in 2005, before opening its national headquarters in Palos Hills, Illinois in 2008.<sup>3</sup> Registered as a corporation in California in 2006, the organization now has an office in the Washington, DC-area that engages in lobbying on Capitol Hill.<sup>4</sup> Based on available records, AMP is not a federal,<sup>5</sup> 501c3, tax-exempt organization.<sup>6</sup> Rather, it is a corporate nonprofit, which means that it does not file IRS 990 forms that would make its finances more transparent. AMP instead receives tax-exempt funds through its fiscal sponsor, Americans for Justice in Palestine Educational Foundation (AJP), which is a 501c3.<sup>7</sup> AMP and AJP share offices and officers,<sup>8</sup> yet they remain legally distinct entities.

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<sup>1</sup> Jonathan Schanzer, "Israel Imperiled: Threats to the Jewish State," *Joint Hearing before the House Foreign Affairs Committee, Subcommittee on Terrorism, Nonproliferation and Trade & Subcommittee on the Middle East and North Africa*, April 19, 2016. (<http://docs.house.gov/meetings/FA/FA18/20160419/104817/HHRG-114-FA18-Wstate-SchanzerJ-20160419.pdf>)

<sup>2</sup> "What is AMP?" *American Muslims for Palestine*, accessed May 9, 2016.

(<http://www.ampalastine.org/index.php/about-amp/amp-faq/212-what-is-amp>)

<sup>3</sup> "When was AMP formed?" *American Muslims for Palestine*, accessed May 9, 2016.

(<http://www.ampalastine.org/index.php/about-amp/amp-faq/214-when-was-amp-formed>)

<sup>4</sup> Email to Subscribers, "New DC-area office open! AMP welcomes new legislative coordinator!" *American Muslims for Palestine*, March 3, 2016. The organization is not located at the address registered in Washington, DC.

<sup>5</sup> Illinois Secretary of State Business Services, Corporate Filing, "American Muslims for Palestine Inc.," File Number 66688003, accessed May 9, 2016. (<http://www.ilsos.gov/corporatellc/CorporateLlcController>)

<sup>6</sup> Internal Revenue Service, "Exemption Requirements - 501(c)(3) Organizations," accessed May 9, 2016. ([https://www.irs.gov/Charities-&-Non-Profits/Charitable-Organizations/Exemption-Requirements-Section-501\(c\)\(3\)-Organizations](https://www.irs.gov/Charities-&-Non-Profits/Charitable-Organizations/Exemption-Requirements-Section-501(c)(3)-Organizations))

<sup>7</sup> "Are donations to AMP tax exempt?" *American Muslims for Palestine*, accessed May 9, 2016.

(<http://www.ampalastine.org/index.php/about-amp/amp-faq/219-are-donations-to-amp-tax-exempt>)

<sup>8</sup> Internal Revenue Service, Form 990: Return of Organization Exempt from Income Tax, "AJP Educational Foundation Inc.," 2014, accessed via GuideStar. (<http://www.guidestar.org/FinDocuments//2014/271/365/2014-271365284-0ba3397f-9.pdf>)

At its 2014 annual conference, AMP invited participants to “come and navigate the fine line between legal activism and material support for terrorism.”<sup>9</sup> This is quite apt. Several individuals now working for or on behalf of AMP once worked for or on behalf of the Holy Land Foundation for Relief and Development (HLF), the Islamic Association for Palestine (IAP), and/or KindHearts for Charitable Development. All three organizations were implicated by the federal government for financing Hamas between 2001 and 2011. Moreover, several of AMP’s donors were involved in organizations implicated in funding the designated terrorist groups Hamas, Palestinian Islamic Jihad, and even al-Qaeda.

### **KindHearts, Interpal, and the Holy Land Foundation**

I would first like to direct your attention to the past activities of AMP’s founder and president, Hatem Bazian. In December 2014, Bazian spoke at an event<sup>10</sup> sponsored by a UK-based charity called Interpal (also known as the Palestinian Relief and Development Fund).<sup>11</sup> The U.S. Treasury designated Interpal as a terrorist entity in 2003 for providing money to Hamas and Hamas’s global financing network.<sup>12</sup> Interpal was a branch of Hamas’s international fundraising organ, the Union of Good, itself designated by the U.S. Department of the Treasury in 2008.<sup>13</sup>

It is also worth noting that Bazian was one of two featured speakers at a 2004 KindHearts fundraising dinner in California.<sup>14</sup> The other speaker at this dinner was Mohammed el-Mezain. Mezain is currently serving time in prison for his role in the Holy Land Foundation and for providing financial support to Hamas.<sup>15</sup> HLF was designated as a terrorist entity by the U.S. Treasury in December 2001.<sup>16</sup> From 1995 to 2001, according to federal court documents, “HLF sent approximately \$12.4 million outside of the United States with the intent to willfully contribute funds, goods, and services to Hamas.”<sup>17</sup> Mezain also served as a consultant for KindHearts.<sup>18</sup> The Treasury Department in 2006 used a mechanism known as a Block Pending

<sup>9</sup> Shane Harris, “Pro-Palestinian Group Lectured On Skirting Terror Laws,” *The Daily Beast*, December 5, 2014. (<http://www.thedailybeast.com/articles/2014/12/05/pro-palestinian-group-lectured-on-skirting-terror-laws.html>)

<sup>10</sup> @sidali\_1, “<http://istanddrhatem.eventbrite.co.uk> come with pockets full at a free event and show your support for Palestine,” *Twitter*, December 2, 2014. ([https://twitter.com/sidali\\_1/status/539916046917197824](https://twitter.com/sidali_1/status/539916046917197824))

<sup>11</sup> @sidali\_1, “Last call for free tickets as Dr Hatem Bazian has arrived in Glasgow.,” *Twitter*, December 15, 2014. ([https://twitter.com/sidali\\_1/status/544484525892317184](https://twitter.com/sidali_1/status/544484525892317184))

<sup>12</sup> U.S. Department of the Treasury, Press Release, “U.S. Designates Five Charities Funding Hamas and Six Senior Hamas Leaders as Terrorist Entities,” August 22, 2003. (<http://www.treasury.gov/press-center/press-releases/Pages/js672.aspx>)

<sup>13</sup> U.S. Department of the Treasury, Press Release, “Treasury Designates the Union of Good,” November 12, 2008. (<https://www.treasury.gov/press-center/press-releases/Pages/hp1267.aspx>)

<sup>14</sup> Flier, “KindHearts San Diego Fundraising Dinner for Palestine,” *Sakkal Design Graphic Design and Illustrations*, June 18, 2004. ([http://www.sakkal.com/Graphics/logos/kindheart/benefit/kindheart\\_san\\_diego\\_flyer.html](http://www.sakkal.com/Graphics/logos/kindheart/benefit/kindheart_san_diego_flyer.html))

<sup>15</sup> U.S. Department of Justice, Press Release, “Federal Judge Hands Downs Sentences in Holy Land Foundation Case,” May 27, 2016. (<https://www.justice.gov/opa/pr/federal-judge-hands-downs-sentences-holy-land-foundation-case>)

<sup>16</sup> U.S. Department of the Treasury, “Protecting Charitable Organizations - E,” accessed May 9, 2016. ([http://www.treasury.gov/resource-center/terrorist-illicit-finance/Pages/protecting-charities\\_execorder\\_13224-e.aspx](http://www.treasury.gov/resource-center/terrorist-illicit-finance/Pages/protecting-charities_execorder_13224-e.aspx))

<sup>17</sup> *United States of America v. Mohammad El-Mezain, et al.*, Appeal, 09-10560 (Court of Appeals Fifth Circuit, December 7, 2011), page 9. (<http://www.ca5.uscourts.gov/opinions%5Cpub%5C09/09-10560-CR0.wpd.pdf>)

<sup>18</sup> U.S. Department of the Treasury, Press Release, “Treasury Freezes Assets of Organization Tied to Hamas,” February 19, 2006. (<https://www.treasury.gov/press-center/press-releases/Pages/js4058.aspx>)

Investigation (BPI), which required that the government freeze the assets of KindHearts, stating that the organization was the “progeny” of HLF, and that it provided “support for terrorism behind the façade of charitable giving.”<sup>19</sup>

Bazian is not the only AMP figure with KindHearts connections. There is also AMP’s registered agent, Abdelbasset Hamayel.<sup>20</sup> Hamayel appears to have served as KindHearts’ Illinois representative.<sup>21</sup> Indeed, one graphic design firm posted Hamayel’s business card on its website, identifying him as KindHeart’s “Illinois and Wisconsin Representative.”<sup>22</sup> Additionally, a KindHeart’s poster for a 2004 fundraiser lists Abaset@Kind-Hearts.org as the point of contact.<sup>23</sup>

### **The Islamic Association for Palestine and Help the Needy**

I would also like to discuss Osama Abuirshaid, who AMP identifies as its “National Coordinator”<sup>24</sup> and “National Policy Director.”<sup>25</sup> In August 2015, the United States Citizenship and Immigration Services deemed that Abuirshaid was currently “ineligible for naturalization” because he failed to properly disclose his connections with the Islamic Association for Palestine (IAP).<sup>26</sup> IAP was found civilly liable in a federal district court for supporting Hamas.<sup>27</sup> The defendants appealed, but a federal appeals court upheld the judgment in 2008.<sup>28</sup>

Shortly after my April 19 testimony, Abuirshaid announced on Facebook that he was taking a “surprise trip” to Doha, Qatar.<sup>29</sup> While there, Abuirshaid met and even posted pictures with a man named Ayman Jarwan on Facebook.<sup>30</sup> Jarwan was the executive director of a fraudulent

<sup>19</sup> U.S. Department of the Treasury, Press Release, “Treasury Freezes Assets of Organization Tied to Hamas,” February 19, 2006. (<http://www.treasury.gov/press-center/press-releases/Pages/js4058.aspx>)

<sup>20</sup> Illinois Secretary of State Business Services, Corporate Filing, “American Muslims for Palestine, Inc.,” File Number 66688003, accessed April 15, 2016. (<http://www.ilsos.gov/corporatellc/CorporateLlcController>)

<sup>21</sup> Steven Emerson, “Money Laundering and Terror Financing Issues in the Middle East,” *Senate Committee on Banking, Housing, and Urban Affairs*, July 13, 2005. (<http://www.banking.senate.gov/public/cache/files/d2b01fcf-a768-45d3-9d9d-436f93ee5f9e/33A699FF535D59925B69836A6E068FD0.emerson.pdf>)

<sup>22</sup> “KindHearts Business Cards with Names,” *Sakkal Design Graphic Design and Illustrations*, accessed April 15, 2016. ([http://www.sakkal.com/Graphics/logos/kindheart/kindhearts\\_bc03.html](http://www.sakkal.com/Graphics/logos/kindheart/kindhearts_bc03.html))

<sup>23</sup> Flier, “Annual Fund Raising Dinner for Palestine & KindHearts’ Annual Contest,” *KindHearts Charitable Humanitarian Development*, April 23, 2005, accessed via WayBack Machine.

(<http://web.archive.org/web/20050515004402/http://www.kind-hearts.org/upcoming%20event/set%204%20prinout.pdf>)

<sup>24</sup> Press Release, “Latest bus ad causes stir in DC,” *American Muslims for Palestine*, February 24, 2015. (<http://www.ampal.org/index.php/newsroom/press-releases/627-new-bus-ad-takes-on-israel-us-relationship-on-eve-of-netanyahu-s-address-to-congress>)

<sup>25</sup> Press Release, “AMP condemns attack on Al Aqsa; youth,” *American Muslims for Palestine*, September 16, 2015. (<http://www.ampal.org/index.php/newsroom/statements/666-amp-condemns-attack-on-al-aqsa-youth>)

<sup>26</sup> *Abuirshaid v. Johnson et al*, No. 1:2015cv01113 (Virginia Eastern District Court, August 31, 2015). (<https://dockets.justia.com/docket/virginia/vaedce/1:2015cv01113/327963>)

<sup>27</sup> Laurie Cohen, “3 Islamic fundraisers held liable in terror death,” *Chicago Tribune*, November 11, 2004. ([http://articles.chicagotribune.com/2004-11-11/news/0411110231\\_1\\_david-boim-magistrate-judge-arlander-keys-joyce-boim](http://articles.chicagotribune.com/2004-11-11/news/0411110231_1_david-boim-magistrate-judge-arlander-keys-joyce-boim))

<sup>28</sup> “Anti-Terrorism Judgment Upheld Against U.S. Charities,” *Anti-Defamation League*, December 18 2008. ([http://archive.adl.org/main\\_terrorism/boim\\_upheld.html#.VLg28y5RLGA](http://archive.adl.org/main_terrorism/boim_upheld.html#.VLg28y5RLGA))

<sup>29</sup> Osama Abuirshaid, *Facebook*, April 28, 2016.

(<https://www.facebook.com/osama.abuirshaid.7/posts/1089811474428955?pnref=story>)

<sup>30</sup> Osama Abuirshaid, *Facebook*, April 28, 2016.

unregistered charity known as Help the Needy, which illegally sent funds to Iraq in violation of U.S. sanctions and also sent funds to charities designated by the U.S. Treasury for funding al-Qaeda.<sup>31</sup> Jarwan was sentenced to 18 months in a federal prison for conspiring to violate the International Emergency Economic Powers Act (IEEPA).<sup>32</sup> He appears to have served 15 months before being deported to Jordan.<sup>33</sup> The exact nature of this meeting between Jarwan and Abuirshaid is unclear.

Abuirshaid is one of four AMP figures to have worked for or on behalf of IAP. There is Sufian Nabhan, an AMP board member<sup>34</sup> who was IAP's former Michigan representative.<sup>35</sup> There is also the aforementioned Abdelbasset Hamayel, who served as IAP's secretary general.<sup>36</sup> Today, he is AMP's registered agent in Chicago.<sup>37</sup> And finally, there is Rafeeq Jaber, the former president of IAP.<sup>38</sup> AMP's tax-exempt arm, the AJP Educational Foundation, listed him as its tax preparer in its most recent public filing.<sup>39</sup> He has been identified in the Palestinian press as the "spiritual father" of AMP's coalitions with other Muslim-American organizations,<sup>40</sup> and he signed a September 2015 petition as a representative of AMP.<sup>41</sup> His financial services business is currently listed at the same office building where IAP was located before it shut down.<sup>42</sup>

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(<https://www.facebook.com/osama.abuirshaid.7/posts/1090156511061118?pnref=story>)

<sup>31</sup> William Kates, "Gov't: Suspect Hid Illegal Charity Role," *Associated Press*, March 9, 2003.

(<http://www.freerepublic.com/focus/news/860489/posts>)

<sup>32</sup> U.S. Department of Justice, Press Release, "Indictments Allege Illegal Financial Transfers to Iraq; Visa Fraud Involving Assistance to Groups that Advocate Violence," February 26, 2003.

([https://www.justice.gov/archive/opa/pr/2003/February/03\\_crm\\_119.htm](https://www.justice.gov/archive/opa/pr/2003/February/03_crm_119.htm))

<sup>33</sup> Katherine Hughes, "Muslim Charity and the Case of Dr. Rafil Dhafir," *Guild Practitioner*, accessed May 9, 2016.

(<http://www.dhafirtrial.net/2007/11/24/denial-of-due-process-to-muslims-disgraces-us-all/>)

<sup>34</sup> "AMP National Board," *American Muslims for Palestine*, accessed May 9, 2016.

(<http://www.ampalastine.org/index.php/about-amp/amp-national-board>)

<sup>35</sup> "IAP Contact Information," *Islamic Association for Palestine*, April 7, 2003, accessed via Wayback Machine.

(<http://web.archive.org/web/20030407164156/http://www.iap.org/contactus.htm>)

<sup>36</sup> "IAP Contact Information," *Islamic Association for Palestine*, April 7, 2003, accessed via Wayback Machine.

(<http://web.archive.org/web/20030407164156/http://www.iap.org/contactus.htm>)

<sup>37</sup> Illinois Secretary of State Business Services, Corporate Filing, "American Muslims for Palestine Inc.," File Number 66688003, accessed May 9, 2016. (<http://www.ilsos.gov/corporatelc/CorporateLlcController>)

<sup>38</sup> "IAP Contact Information," *Islamic Association for Palestine*, April 7, 2003, accessed via Wayback Machine.

(<http://web.archive.org/web/20030407164156/http://www.iap.org/contactus.htm>)

<sup>39</sup> Internal Revenue Service, Form 990: Return of Organization Exempt from Income Tax, "AJP Educational Foundation Inc.," 2014, accessed via GuideStar. (<http://www.guidestar.org/FinDocuments//2014/271/365/2014-271365284-Oba3397f-9.pdf>)

<sup>40</sup> "مئات الآلاف في شوارع المدن الأمريكية نصرته لغزة" (Hundreds of Thousands in the Streets of American Cities in Support of Gaza)," *Ma'an News Agency* (Palestinian Territories), August 11, 2014.

(<http://maannews.net/Content.aspx?id=719809>)

<sup>41</sup> "Petition to ISNA Leadership to do more for Syria," *Change.org*, September 3, 2015.

(<https://www.change.org/p/isna-leadership-president-secretary-gen-and-majlis-ash-shura-petition-to-isna-leadership-to-do-more-for-syria>)

<sup>42</sup> "Jaber Financial Services INC," *Cortera*, accessed May 9, 2016.

(<http://start.cortera.com/company/research/k5m5qyr4s/jaber-financial-services-inc/>); "IAP Contact Information," *Islamic Association for Palestine*, April 7, 2003, accessed via Wayback Machine.

(<http://web.archive.org/web/20030407164156/http://www.iap.org/contactus.htm>)

### Additional Links to the Holy Land Foundation

I would next like to bring to the attention of this subcommittee information about Kifah Mustapha who films promotional videos for AMP.<sup>43</sup> He is also a regular speaker at AMP events, including AMP's 2014 and 2015 annual national conferences.<sup>44</sup> Troublingly, AMP is giving him this prominent platform even though he was the registered agent in Illinois for the Holy Land Foundation.<sup>45</sup> As the registered agent, Mustapha described his role as "soliciting money for the various programs HLF held" in Illinois and in other states.<sup>46</sup>

Mustapha is not the only AMP figure to have worked for or on behalf of the Holy Land Foundation. He joins Hossein Khatib, a board member for AMP,<sup>47</sup> who was previously a Holy Land Foundation regional director.<sup>48</sup> There is also Jamal Said, who is a regular keynote speaker at AMP fundraisers,<sup>49</sup> and who raised money for HLF as the director of the Mosque Foundation, a 501c3 organization that donated money to the HLF.<sup>50</sup> I should note that Mustapha was the associate director of the Mosque Foundation from 2002 to 2014.<sup>51</sup> Like Said, Mustapha was an unindicted co-conspirator<sup>52</sup> in the Holy Land Foundation trial.<sup>53</sup>

Interestingly, in December 2009, Mustapha joined the Illinois State Police as part of its volunteer chaplain program. A few months later, he was fired after the Illinois police "watched a video seized from Mustapha's office on which they say Mustapha chants terrorist lyrics and children are seen with guns," which was filmed when Mustapha was younger.<sup>54</sup> Mustapha filed a lawsuit, claiming discrimination based on his political views and national origin, but it was dismissed in 2013 after a federal court found the police were well within their rights to conclude that

<sup>43</sup> AMP-Chicago, *Facebook*, November 21, 2015.

(<https://www.facebook.com/ampalastinechicago/posts/909912559098044>)

<sup>44</sup> Conference Program, *American Muslims for Palestine*, November 2015; Conference Program, *American Muslims for Palestine*, November 2014.

<sup>45</sup> *Boim v. Quranic Literacy Institute*, Memorandum Opinion and Order, 127 F. Supp. 2d 1002 (Northern District of Illinois, January 10, 2001). (<http://law.justia.com/cases/federal/district-courts/FSupp2/127/1002/2512250/>)

<sup>46</sup> *Boim vs. Quranic Literacy Institute*, Deposition of Kifah Mustapha, 00-C-2905 (Northern District of Illinois, March 2, 2004).

<sup>47</sup> "AMP National Board," *American Muslims for Palestine*, accessed April 15, 2016.

(<http://www.ampalastine.org/index.php/about-amp/amp-national-board>)

<sup>48</sup> "Hussein Khatib," *LinkedIn*, accessed January 12, 2015.

([https://www.linkedin.com/profile/view?id=100176222&authType=NAME\\_SEARCH&authToken=6Pvm&locale=en\\_US&srchid=3641870051421096965128&srchindex=4&srchtotl=20&trk=vsrp\\_people\\_res\\_name&trkInfo=VSRPsearchId%3A3641870051421096965128%2CVSRPtargetId%3A100176222%2CVSRPcmpt%3Aprimary](https://www.linkedin.com/profile/view?id=100176222&authType=NAME_SEARCH&authToken=6Pvm&locale=en_US&srchid=3641870051421096965128&srchindex=4&srchtotl=20&trk=vsrp_people_res_name&trkInfo=VSRPsearchId%3A3641870051421096965128%2CVSRPtargetId%3A100176222%2CVSRPcmpt%3Aprimary))

<sup>49</sup> AMP-Chicago, "AMP Annual Fundraising Dinner," *Facebook*, March 19, 2014.

(<https://www.facebook.com/ampalastinechicago/photos/gm.1407041112890451/597477577008212/?type=3&theater>); AMP-Chicago, *Facebook*, April 18, 2015. (<https://www.facebook.com/events/1568230430114028/>); AMP-Chicago, *Facebook*, March 5, 2016. (<https://www.facebook.com/events/1693121294239623/>)

<sup>50</sup> Joel Mowbray, "Reign of the Radicals," *The Wall Street Journal*, January 27, 2006.

(<http://www.wsj.com/articles/SB113832728441457779>)

<sup>51</sup> "Kifah Mustapha," *LinkedIn*, accessed May, 6, 2016. (<https://www.linkedin.com/in/kifahmustapha>)

<sup>52</sup> Chuck Goudie, "I-Team Report: Pillar of the State Police," *ABC*, March 9, 2010.

(<http://abc7chicago.com/archive/7309866/>)

<sup>53</sup> Andrea Elliott, "White House Quietly Courts Muslims in US," *The New York Times*, April 18, 2010.

(<http://www.nytimes.com/2010/04/19/us/politics/19muslim.html>)

<sup>54</sup> Chuck Goudie, "Rebuke for Well-Known Muslim Cleric," *ABC*, March 12, 2013.

(<http://abc7chicago.com/archive/9024968/>)

Mustapha's past statements and associations made him an inappropriate candidate to be a police chaplain.<sup>55</sup>

There is also Salah Sarsour, an AMP board member,<sup>56</sup> fundraiser,<sup>57</sup> and 2015 conference chairman.<sup>58</sup> A 2001 FBI memo describes how Sarsour's brother, after being arrested by Israel in 1998, told Israeli officials about his brother's "involvement with Hamas and fundraising activities of HLFDR [Holy Land Foundation for Relief and Development]."<sup>59</sup>

### Middle East Financial Services

Finally, I would like to discuss Middle East Financial Services (MEFS), which is a Bridgeview, Illinois-based business<sup>60</sup> that provides financial support to AMP.<sup>61</sup> One of MEFS's employees, Sana'a Abed Daoud,<sup>62</sup> is a board member of AMP.<sup>63</sup> Her relationship to the owners is unclear, but they share a last name.<sup>64</sup>

MEFS has never been charged with being complicit in terrorism financing, and we do not have evidence that it has been engaged in illicit activities, but its services have been used by some who have. Indeed, MEFS was used in 2002 to wire money to Palestinian Islamic Jihad (PIJ), which the State Department designated as a terrorist group in 1997.

Salah Daoud, a former MEFS employee and former IAP board member, testified in court in 2005 about how one of IAP's volunteers, Hatem Fariz, used MEFS over several months to send approximately \$60,000 to PIJ.<sup>65</sup> Daoud testified in exchange for immunity.<sup>66</sup> Fariz was sentenced

<sup>55</sup> *Kifah Mustapha v. Jonathon E. Monken, Patrick Keen, and Illinois State Police*, Memorandum Opinion and Order, 1:10-cv-05473 (Northern District of Illinois, June 25, 2013).

<sup>56</sup> "AMP National Board," *American Muslims for Palestine*, accessed May 9, 2016.

(<http://www.ampalastine.org/index.php/about-amp/amp-national-board>)

<sup>57</sup> "Sponsor the Conference," *American Muslims for Palestine*, accessed May 9, 2016.

(<https://web.archive.org/web/20160323162120/http://conference.ampalastine.org/index.php/sponsorship>)

<sup>58</sup> Email to Subscribers, "A letter from AMP Conference Chairman Salah Sarsour," *American Muslims for Palestine*, December 1, 2014.

<sup>59</sup> FBI Memo to the U.S. Department of the Treasury, "Holy Land Foundation For Relief And Development International Emergency Economic Powers Act," November 1, 2001.

([http://www.copleydc.net/cns\\_links/terrorism/fbi%20report.pdf](http://www.copleydc.net/cns_links/terrorism/fbi%20report.pdf))

<sup>60</sup> "Contact Information," *Middle East Financial Services*, accessed May 9, 2016. (<http://mefs.us/>)

<sup>61</sup> Conference Program, *American Muslims for Palestine*, November 2014, page 29; Conference Program, *American Muslims for Palestine*, November 2015, page 6.

<sup>62</sup> Sana'a Abed Daoud, *Facebook*, April 28, 2016. (<https://www.facebook.com/sanaa.a.daoud?fref=ts>)

<sup>63</sup> "AMP National Board," *American Muslims for Palestine*, accessed May 9, 2016.

(<http://www.ampalastine.org/index.php/about-amp/amp-national-board>)

<sup>64</sup> Illinois Secretary of State Business Services, Corporate Filing, "Middle East Financial Services Incorporated," File Number 60642273, accessed May 9, 2016. (<http://www.ilsos.gov/corporatellc/CorporateLlcController>)

<sup>65</sup> "Witness says Al-Arian co-defendant sent \$60,000 to the Middle East," *Associated Press*, June 30, 2005.

([http://www.mywebtimes.com/news/illinois\\_ap/witness-says-al-arian-co-defendant-sent-to-the-middle/article\\_9533c078-b9c2-522e-9d6e-48fd41be15c3.html](http://www.mywebtimes.com/news/illinois_ap/witness-says-al-arian-co-defendant-sent-to-the-middle/article_9533c078-b9c2-522e-9d6e-48fd41be15c3.html)); *United States v. Sami Amin Al-Arian et al.*,

Transcript of Proceedings, 8:03-CR-77-T-30TBM, (Middle District of Florida Tampa Division, June 29, 2005).

<sup>66</sup> "Witness says Al-Arian co-defendant sent \$60,000 to the Middle East," *Associated Press*, June 30, 2005.

([http://www.mywebtimes.com/news/illinois\\_ap/witness-says-al-arian-co-defendant-sent-to-the-middle/article\\_9533c078-b9c2-522e-9d6e-48fd41be15c3.html](http://www.mywebtimes.com/news/illinois_ap/witness-says-al-arian-co-defendant-sent-to-the-middle/article_9533c078-b9c2-522e-9d6e-48fd41be15c3.html))

to 37 months in a U.S. prison for “conspiracy to make or receive contributions of funds, goods, or services to or for the benefit of a Specially Designated Terrorist.”<sup>67</sup>

## Recommendations and Conclusions

Mr. Chairman, FDD has not seen any evidence that AMP is engaged in any illicit activity. But we remain deeply concerned that individuals connected to entities that were previously implicated in terrorism finance can so easily regroup with such scant oversight. That is why, in my April 19 testimony, I stated that the IRS needs to pay more attention to the prior histories of Section 501 entities and their officers or directors.

It should be required that nonprofits disclose in their IRS 990 and 1023 forms the roles of its leaders (board members and executives) in organizations that earned Treasury or State Department designations, Treasury actions like Block Pending Investigations (BPI), or litigation in which their organization was found liable for material support for terrorism. This is a transparency issue at its core.

The IRS might consider studying the British model for charity oversight. In the UK, the Charity Commission monitors the charitable sector for organizations that are run by extremists.<sup>68</sup> This oversight has not stopped individuals from exercising their right to free speech according to the laws of their country. But the Commission has ensured that, in the most egregious cases, if there are any organizations that have abused the system, they do not receive tax breaks. The goal, according to the Commission’s website, is “to ensure that the public can support charities with confidence.”<sup>69</sup> Again, we do not conclude that AMP’s activities would warrant any regulatory sanctions, but we do believe that Americans have a right to know what we have uncovered.

Finally, there is a broader question this subcommittee may wish to ask the federal government: Does the Treasury Department still issue designations of U.S.-based charities like Holy Land Foundation or KindHearts? After eight high-profile terrorist designations of domestic charities between 2001 and 2009,<sup>70</sup> the pace has slowed to a crawl. This subcommittee has the power to ask why, who should be leading this effort, and whether more resources should be devoted to the problem.

On behalf of the Foundation for Defense of Democracies, thank you again for inviting me to testify.

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<sup>67</sup> Meg Laughlin, “Al-Arian associate gets prison,” *Tampa Bay Times*, July 26, 2006.

([http://www.sptimes.com/2006/07/26/Tampabay/Al\\_Arian\\_associate\\_ge.shtml](http://www.sptimes.com/2006/07/26/Tampabay/Al_Arian_associate_ge.shtml))

<sup>68</sup> Andrew Gilligan, “Extremists to be purged from charity boards under new law,” *The Telegraph* (UK), September 19, 2015. (<http://www.telegraph.co.uk/news/uknews/terrorism-in-the-uk/11877560/Extremists-to-be-purged-from-charity-boards-under-new-law.html>)

<sup>69</sup> UK Charity Commission, “What we do,” accessed May 9, 2016.

(<https://www.gov.uk/government/organisations/charity-commission>)

<sup>70</sup> Holy Land Foundation (2001), Benevolence International Foundation (2002), Global Relief Foundation (2002), Islamic American Relief Agency (2004), Al-Haramain Islamic Foundation (2004), Goodwill Charitable Organization (2007), Tamil Rehabilitation Organization (2007), and Tamil Foundation (2009).

U.S. Department of the Treasury, “Designated Charities and Potential Fundraising Front Organizations for FTOs (listed by affiliation and designation date),” April 5, 2016. (<https://www.treasury.gov/resource-center/terrorist-illicit-finance/Pages/protecting-fto.aspx>)