



U. S. Department of Justice

*United States Attorney
Northern District of Illinois
Federal Building*

*Patrick J. Fitzgerald
United States Attorney*

*219 South Dearborn Street, Fifth Floor
Chicago, Illinois 60604
(312) 353-5300*

FOR IMMEDIATE RELEASE
FRIDAY AUGUST 20, 2004

PRESS CONTACTS:
Randall Samborn, U.S. Attorney's Office
(312) 353-5318
DOJ Public Affairs
(202) 514-2007

**CHICAGO AND WASHINGTON, D.C., AREA MEN AMONG THREE INDICTED IN
RACKETEERING CONSPIRACY IN U.S. TO FINANCE HAMAS TERROR ABROAD**

Fugitive Hamas Official in Syria Among Those Charged

CHICAGO – Three men associated with the foreign terrorist organization Hamas were indicted by a federal grand jury in Chicago for allegedly participating in a 15-year racketeering conspiracy in the United States and abroad to illegally finance terrorist activities in Israel, the West Bank and the Gaza Strip, including providing money for the purchase of weapons, the Justice Department announced. All three defendants allegedly used bank accounts in the United States to launder millions of dollars for disbursement to support Hamas, which has publicly claimed credit for engaging in suicide bombings that resulted in the deaths of Israeli military personnel and civilians, as well as American and other foreign nationals in Israel and the West Bank.

The indictment was unsealed following the arrests last night of **Muhammad Hamid Khalil Salah**, of suburban Chicago, and **Abdelhaleem Hasan Abdelraziq Ashqar**, of suburban Washington, D.C., while an arrest warrant was issued for the third defendant, **Mousa Mohammed Abu Marzook**, a former U.S. resident who currently resides in Damascus, Syria, and is considered to be a fugitive from justice.

All three were charged with racketeering conspiracy for allegedly joining with 20 identified co-conspirators – some named and some unnamed – and others since at least 1988 in illegally conducting the affairs of Hamas. The indictment, which for the first time identifies Hamas as a criminal enterprise, alleges that the affairs of the enterprise were committed through multiple acts of conspiracy to commit and solicitation of first degree murder, conspiracy to kill, kidnap, maim or injure persons in a foreign country, money laundering and attempt and conspiracy to do so, obstruction of justice, providing material support or resources to designated foreign terrorist organizations, hostage taking, forgery or false use of a passport, structuring financial transactions and travel in aid of racketeering.

According to the indictment, between 1989 and 1993, Salah traveled throughout the United States and to London, Israel and the West Bank and the Gaza Strip on behalf of Hamas, meeting with its leaders and members, recruiting and training new members in the United States, and disbursing money from the United States to directly support the activities of Hamas. In January 1993, Salah was arrested while in Israel to assist Hamas, and was incarcerated until November 1997. After being released from an Israeli jail, Salah directed and financed the travel of a Chicago-based associate to scout potential terrorist targets in Israel. Ashqar allegedly opened various bank accounts in Mississippi which he utilized as a clearinghouse for Hamas funds from Abu Marzook as well as other Hamas members and organizations in the United States and abroad. He also maintained records and files for Hamas in the U.S., attended a Hamas meeting in Philadelphia in 1993, and allegedly obstructed justice by engaging in contempt of grand juries in New York in 1998 and Chicago in 2003. Marzook allegedly maintained and shared numerous bank accounts in the United States that received substantial deposits from overseas and then transferred the funds among other

domestic accounts before the money was ultimately disbursed to accounts and individuals abroad for use to further Hamas activities.

The terrorist acts for which Hamas has repeatedly and publicly claimed credit were executed to undermine the Israeli-Palestinian peace process and to create an Islamic Palestinian state by eliminating the State of Israel through violent jihad carried out by Hamas's so-called military wing, known as Izz Al-din Al-Qassam Brigades, or simply the Al-Qassam Brigades. Among the attacks cited in the indictment for which Hamas took public credit were an April 1994 car bombing of a public bus in Afula, Israel, killing eight Israelis; an October 1994 suicide bombing on a public bus in Tel Aviv that killed 13 Israelis and a Dutch national; a February 1996 suicide bombing on a public bus in Jerusalem that killed 24 Israelis and two Americans; a March 1996 suicide bombing on a public bus in Jerusalem that killed eight Israelis, an Ethiopian, and seven Romanians; a May 1996 drive-by shooting at students waiting at a public bus stop in Beit El in the West Bank in which American student David Boim was killed; and two suicide bombings in July 1997 in a market in Jerusalem that killed 16 Israelis. The defendants were charged with providing money and personnel to Hamas at a time when Hamas was engaging in those terrorist attacks but they were not charged with direct participation in the violence. The indictment acknowledges that Hamas has undertaken social welfare activities but has also engaged in numerous terrorist attacks aimed at Israeli military personnel, police officers and civilians.

In addition, Salah was charged with one count each of providing material support and resources to a foreign terrorist organization and obstruction of justice. Ashqar was charged with one count each of obstruction of justice and contempt of court, both of which were contained in an earlier version of the indictment against him alone. The five-count superseding indictment also seeks

forfeiture of approximately \$2.7 million, all funds in four bank accounts and Salah's residence in Bridgeview, Ill.

Salah, 51, of Bridgeview, also known as Muhammad Abd Al-'Hamid Salah," and "Abu Ahmad," was arrested last night. He was expected to appear today before U.S. Magistrate Judge Arlander Keys in U.S. District Court in Chicago. Ashqar, 46, of Alexandria, Va., also known as "Abu Hasan," "Abu Ali Hasan," and "Samir," was arrested last night. He was expected to appear today before a Magistrate Judge in Federal Court in Alexandria. Marzook, 53, is also known as "Abu Omar," "Tareq," and "Abu Rizq," and formerly resided in Louisiana and northern Virginia.

"Today, terrorists have lost yet another source of financing and support for their bombs and bloodshed," said Attorney General John Ashcroft. "Our record on terrorist financing is clear: We will hunt down the suppliers of terrorist blood money. We will shut down these sources, and we will ensure that both terrorists and their financiers meet the full justice of the United States of America."

Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, said: "We cannot allow this country to be used as a base for funding and recruiting terrorists who engage in violence against civilians, whether here or abroad. The three men indicted today for their decade-long role in supporting Hamas's terrorist activities operated on our soil to fund and otherwise support violence in the Middle East, including violence against civilians."

"The Federal Bureau of Investigation thanks the Muslim and Arab-American communities for their cooperation and assistance in the continuing fight against terrorism," said FBI Director Robert S. Mueller. "We remind everyone that these communities are an important part of the American culture and should never be judged by the illegal activities of a few."

The indictment identifies each defendant as follows:

Abu Marzook – formerly chief and now deputy chief of the Hamas Political Bureau, which functions as the highest-ranking leadership body in the Hamas organization, setting policies and guidelines regarding Hamas’s activities, including directing and coordinating terrorist acts by Hamas and the Al-Qassam Brigades. From 1988 until February 1993, while living in the United States, Marzook coordinated and financed the activities of Hamas within the United States and elsewhere, first from Louisiana and then from Northern Virginia. During that period, he traveled throughout the United States to meet with other American-based Hamas members, as well as foreign-based Hamas members traveling to the United States for organizational purposes. Abu Marzook additionally maintained constant phone contact with Hamas membership and leadership in the United States and abroad. During this time, he also maintained and shared numerous bank accounts through which substantial sums of money were transferred from bank accounts located outside the United States to other accounts within the United States, including bank accounts controlled by or associated with Salah, for ultimate disbursement to accounts and individuals outside the United States for use in furtherance of Hamas; and

Salah – a member of Hamas. Between 1989 and January 1993, Salah traveled throughout the United States and to London, Israel and the Occupied Territories of the West Bank and the Gaza Strip on behalf of Hamas, meeting with Hamas representatives as well as leaders and members of the Al-Qassam Brigades, recruiting and training new members of Hamas in the United States, and disbursing money from the United States to directly support Hamas members and activities of Hamas and the Al-Qassam Brigades. In January 1995, Salah admitted to an Israeli court his commission of crimes related to his association with Hamas. Nonetheless, Salah carried on his membership in Hamas and, after he returned to the United States, continued his activities in support of Hamas, including directing and financing travel to Israel and the West Bank in October 1999 of a Chicago-based associate;

Ashqar – initially entered the United States as a graduate student at the University of Mississippi in Oxford, Miss. From 1989, Ashqar functioned as a conduit of money for Hamas members both in the United States and abroad. In this role, he opened various bank accounts in and around Oxford, Miss., which he utilized as a clearinghouse for Hamas funds from Abu Marzook as well as other Hamas members and organizations in the United States and abroad. Ashqar furthered these financial activities both through the use of his personal bank accounts as well as through his establishment of the Al-Aqsa Educational Fund, Inc. Ashqar also served as a communications conduit for Hamas both through his participation in and linking of telephone calls between various Hamas members in the United States and abroad, as well as his storing and disseminating numerous Hamas-related documents that concerned both the public activities of Hamas as well as the internal operation of Hamas. In this role, Ashqar had contact with numerous co-conspirators.

The alleged high-ranking Hamas leaders named in the indictment as co-conspirators are: Khalid Mish'al, Abdel Aziz Al-Rantisi (deceased), Imad Al-Alami, Mohammed Qassem Sawalha, Adel Ahmed Awadallah (deceased), Salah Al-Arouri, Sheik Jamil Hamami, Hassan Salameh, Yihye Ayash, and Ismael Selim Elbarasse.

According to the racketeering conspiracy count, in August 1992, Salah met and conferred with Abu Marzook and Sawalha regarding the need to revitalize Hamas terrorist operations in the West Bank. During the meeting, Sawalha, who had been in charge of Hamas terrorist operations within the West Bank, identified specific Hamas members who could be used to revitalize Hamas's terrorist activities, including Awadallah and Al-Arouri.

In September 1992, Salah traveled from Chicago to the West Bank, where he met with Awadallah. During several meetings, Salah and Awadallah discussed both Hamas terrorist activities and political activities in the West Bank and the Gaza Strip, including whether Hamas should murder a Palestinian leader regarded as a leading proponent of peace with Israel. Salah also met with Al-Arouri, a Hamas member headquartered at Hebron University in the West Bank, who informed Salah that Hamas needed money to purchase weapons to carry out terrorist activities. Salah agreed to provide Al-Arouri money for the purchase of weapons and other military supplies and, later, provided Al-Arouri at least approximately \$50,000 for these purposes. Salah allegedly provided the money to Al-Arouri by writing 10 checks, each for \$5,000, from one of his Chicago bank accounts and cashing them in Israel in September 1992.

Also in September 1992, Salah met with Hamas leader Abu Saeb, who was involved in Hamas terrorist operations in the Gaza Strip. Abu Saeb informed Salah that he had approximately 53 Hamas recruits who were prepared to carry out terrorist attacks, but that funding was needed to

assist them, and that Hamas was having problems with individuals collaborating and providing information about Hamas activities to Israeli authorities, adding that certain collaborators needed to be killed. Salah agreed to and did pass on the information provided by Abu Saeb and his request for money to Abu Marzook and others, the indictment alleges.

After Salah returned to Chicago from the Middle East in September 1992, he received a \$50,000 check from the bank account of Abu Marzook as repayment for funds that Salah provided to Hamas members in the West Bank and the Gaza Strip.

Between Sept. 18, 1992, and Dec. 13, 1992, Hamas members publicly claimed credit for eight different terrorist actions that resulted in the deaths of numerous Israeli civilians and military personnel, including the Dec. 13, 1992 kidnaping of Israeli soldier Nissam Toledano, whom members of the Al-Qassam Brigades offered to release in exchange for jailed Hamas founder and leader Sheik Ahmed Yassin. When Sheik Yassin was not released, Hamas members publicly claimed they killed Toledano, whose body was found on Dec. 15, 1992, on the Jerusalem-Jericho highway.

From at least 1989 through January 1993, Abu Marzook and Ashqar, together with Elbarasse and other unnamed co-conspirators, allegedly used various accounts at banks in such places as Cleveland, Milwaukee, New York, Louisiana, Mississippi and Virginia, to transfer amounts ranging from tens to hundreds of thousands of dollars at a time into the United States from various sources abroad, including Saudi Arabia and Switzerland, and then between banks in the United States before transferring funds out of the country to Israel and Switzerland. For example, in February 1991, Abu Marzook's associate, Co-conspirator I, received a transfer of \$480,000 from a bank in Saudi Arabia to his Virginia-based account, and then wired approximately \$99,000 to an account in Cleveland

belonging to Co-conspirator H, who, in turn, wrote 16 checks totaling \$100,000 to Co-conspirator F, which were cashed in Israel. Other transactions included the June 1992 transfers of \$613,000 from Saudi Arabia to the Virginia-based account of Co-conspirator E, and \$900,000 in multiple wire transfers into the Virginia account of Abu Marzook and Elbarasse, who later transferred approximately \$350,000 to four accounts domestically and overseas, including \$100,000 into the Milwaukee account of Co-conspirator J.

According to the indictment, in late December 1992 and early January 1993, in response to Israel's deportation of over 400 Hamas members and other radicals from Israel, the West Bank, and the Gaza Strip, Hamas leadership, including Abu Marzook as the chairman of the Hamas delegation, met with leadership of the anti-Israeli Fatah organization as well as representatives of other Palestinian separatist organizations, and discussed how to deal with the deported Hamas members and whether to limit terrorist attacks to Israeli settlers in the West Bank and the Gaza Strip and Israeli soldiers. Abu Marzook stated a willingness and readiness to escalate the acts of violence against Israel. According to the indictment, in late December 1992, at the request of Hamas leaders and Abu Marzook specifically, Salah agreed to travel from Chicago to the West Bank and the Gaza Strip to assess the ability of Hamas to function after the deportations and to deliver money to Hamas members in the individual regional cells within the West Bank and the Gaza Strip. In particular, Salah was directed to assess Hamas's abilities to continue to carry out terrorist attacks.

Beginning on Dec. 29, 1992, and continuing until Jan. 25, 1993, Salah allegedly received into his Chicago-based bank accounts a series of wire transfers, totaling approximately \$985,000, from accounts associated with Abu Marzook to be distributed to Hamas members in the West Bank and the Gaza Strip. On Jan. 13, 1993, Salah left the United States en route to the West Bank and the

Gaza Strip via London, where he met with Sawalha, who directed him to provide money to various Hamas members and provided him with contact information for meetings with Awadallah and others. After arriving in Israel, Salah met and conferred with Awadallah on Hamas personnel issues and specific planned terrorist attacks, with Salah arranging to provide \$60,000 to Awadallah for various Hamas needs. Salah was accompanied on his mission by Co-conspirator A, who lived in or around Chicago.

Between Jan. 17 and 19, 1993, while in Israel, Salah arranged to have approximately \$230,000 in his Chicago bank accounts transferred to him through a money changer in Ramallah, the charges allege. Salah transferred \$30,000 of that amount by executing three \$10,000 checks and providing them to the money changer. The transfer of the additional \$200,000 was effected by a wire transfer made by Salah's wife from one of his Chicago accounts directly to a Chicago account associated with the money changer. Salah collected the \$230,000 in cash from the money changer for distribution to Hamas members in the West Bank and the Gaza Strip.

While in Israel, Salah also met with Abu Saeb and discussed various terrorist attacks carried out by Hamas and the state of the Al-Qassam Brigades in the Gaza Strip. Abu Saeb informed Salah that Hamas had eight underground shelters for hiding fugitives and that Hamas members in Rahat had: three M-16 rifles; three Kalishnikov rifles; and two Uzi machine guns. Abu Saeb informed Salah that there would be an increase in terrorist activity during the month of Ramadan, and asked Salah for additional money to continue terrorist activity and to purchase weapons. Salah allegedly agreed to provide additional money.

On Jan. 25, 1993, Salah was arrested by Israeli authorities based on his involvement in Hamas. After his arrest, Salah continued to attempt to assist Hamas. In particular, he attempted to

trade information given to him by Abu Marzook and Co-conspirator G regarding the burial location of an Israeli soldier, Ilan Sa'adon, who was murdered in a Hamas terrorist attack in 1989, in return for the release of numerous detainees in Israeli prisons. In March 1993, the indictment alleges, Salah attempted to use consular officials from the American Embassy in Israel, unbeknownst to them, to pass messages to two co-conspirators who had recently returned from the Middle East. Further, Salah falsely denied to consular officials any association with Abu Marzook or Hamas. After his arrest, Salah attempted to provide information to his co-conspirators regarding how to avoid capture in the future and how to deal with the negative publicity of his arrest in the United States.

In August 1993, Ashqar debriefed Co-conspirator A after he returned from Israel to the United States, regarding Co-conspirator A's and Salah's mission that ended with their arrests by Israeli authorities. Co-conspirator A reported to Ashqar and other Hamas co-conspirators in the United States that he believed that he and Salah had been caught because other Hamas members had confessed about Co-conspirator A's and Salah's roles in Hamas and because Salah had withdrawn large sums of money. Co-conspirator A further detailed specific physical evidence relating to Hamas operations seized at the time of Salah's arrest, including documents and records listing names of Hamas operatives, codes and money to be used in Hamas operations. In the Fall of 1993, Ashqar allegedly facilitated Co-conspirator A's reintegration into the community and Hamas in the United States, including transferring more than \$15,000 to Co-conspirator A, as well as proposing that Co-conspirator A be included in a secret meeting of Hamas members to take place in Philadelphia.

In October 1993, Ashqar met with various Hamas members in Philadelphia, including co-conspirator Elbarasse, to discuss Hamas issues including Hamas activities inside the United States and abroad and lessons learned from the capture of Salah. In March 1994, Ashqar met in Oxford,

Miss., with two other Hamas members, including co-conspirator Sheik Hamami, to discuss Hamas issues and the transfer of money for Hamas activities overseas.

As part of his role as a Hamas administrator, Ashqar participated in a number of phone conversations, sometimes in code, relating to Hamas activity both in the United States and abroad. He also produced, collected, and disseminated numerous documents and information in furtherance of Hamas's goals in the United States and abroad, including documents relating to the Hamas command and control structure, recruiting new members for Hamas, progress reports of Hamas plans and activities, and control and minimization of damage to Hamas from the arrest and loss of members involved in terrorist actions, according to the indictment.

Upon returning to the United States in November 1997, Salah allegedly continued his activities on behalf of Hamas within the United States. These activities included recruiting Individual A to join Hamas and make trips to the Middle East to conduct Hamas activities. While recruiting Individual A, Salah discussed his own prior activities and actions on behalf of Hamas. In October 1999, Salah assisted Individual A with travel arrangements to Israel to conduct business on behalf of Hamas. At Salah's direction, Individual A was to contact and meet with various Hamas members, including Al-Arouri and Hamas leader Sheik Yassin, to convey messages and assess various Hamas needs in the West Bank; deliver money to the family of Al-Arouri and meet with Al-Arouri in Ashkelon prison; and scout specific locations in and around Jerusalem for suitability as targets for Hamas terrorist attacks. This conduct also forms the basis for the material support count against Salah for allegedly providing currency and personnel to Hamas.

Both the racketeering charge and the obstruction count against Salah allege that in April 2001, in an attempt to avoid liability and protect funds entrusted to him by Abu Marzook and others,

to hide and continue his activities on behalf of Hamas undetected, Salah provided sworn answers to interrogatories that he knew to be false in a civil lawsuit filed in Federal Court in Chicago, alleging that he, Abu Marzook and others, as members of Hamas, were responsible for American student David Boim's murder in the May 1996 drive-by shooting in the West Bank. (*Boim v. Quranic Literacy Institute, et al.*, 00 C 2905) In the sworn statements, Salah falsely represented that he never provided or delivered funds for the purpose of supporting Hamas; falsely represented that he had only provided funds to a very limited number of individuals and failed to include a variety of fund transfers in which he had participated; failed to disclose that he was a member of Hamas; falsely represented that he had never met with Abu Marzook; falsely represented that he had never trained or attended training sessions of Hamas members; and failed to disclose that he had transferred funds in excess of \$1,000 to Abu Marzook and others.

The racketeering charge, as well as the contempt and obstruction counts against Ashqar allege that in June 2003, despite a grant of immunity, he refused to testify before a grand jury in Chicago, and continued to refuse to testify into October 2003, in an effort to hide his and co-conspirators' activities on behalf of Hamas, and to continue his activities on behalf of Hamas undetected.

The indictment was announced by Attorney General John Ashcroft, FBI Director Robert S. Mueller, Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, and Thomas J. Kneir, Special Agent-in-Charge of the Chicago Office of the FBI. The investigation was conducted by the Chicago FBI's Joint Terrorism Task Force (JTTF), which is comprised of numerous state, local and federal law enforcement agencies. The investigation is continuing, the officials said.

The government is being represented by Assistant U.S. Attorneys Joseph Ferguson, Reid Schar and Juliet Sorensen.

If convicted, racketeering conspiracy in this case carries a maximum penalty of life in prison; providing material support to a terrorist organization carries a maximum of 15 years in prison; and each count of obstruction of justice carries a maximum of 10 years in prison; and contempt of court carries a maximum of life in prison, and each count carries a maximum fine of \$250,000. Note, however, that the Court would determine the appropriate sentence to be imposed.

The public is reminded that an indictment contains only charges and is not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

###