

Via Hand Delivery

September 20, 2001

The Honorable Charles O. Rossotti
Commissioner
Internal Revenue Service
1111 Constitution Ave, NW
Washington, DC 20224

**Re: Complaint Concerning Certain Tax Exempt And Other Organizations Reportedly
Used As Money Laundering Front Operations For Terrorist Activities In
The United States And Abroad.**

Dear Commissioner Rossotti:

I. INTRODUCTION.

Judicial Watch, Inc., the public interest law firm that investigates and prosecutes government abuse and corruption, hereby files a complaint against certain tax exempt and other organizations that are, based on publically available information, reportedly being used as money laundering front organizations for radical Islamic terrorists, to include but not limited to associates of Osama bin Laden and “*HAMAS*,” and their operations, in both the United States and abroad.¹

As set forth below, the Internal Revenue Service (“IRS”) must, given the current state of war with terrorists and states which harbor them, expeditiously investigate the misuse of these tax exempt and other organizations, and, if necessary, shut them down forthwith. A copy of this letter is being provided to the President of the United States, Attorney General John Ashcroft,

¹Judith Miller, “Some Charities Suspected of Terrorist Role,” *The New York Times*, Saturday, February 19, 2000, page 5 (Exhibit 1).

and other government agencies, including but not limited to all members of Congress (Senate and House), to insure that the IRS and other authorities take swift appropriate action.

In the past several years, the IRS has seen fit, largely under your direction, to audit tax exempt entities and individuals who were perceived to be adverse to President Bill Clinton and his administration. Scores of persons and entities, many of whom are Judicial Watch clients, such as Billy Dale, Gennifer Flowers, Juanita Broaddrick, Katherine Prudhomme, the Western Journalism Center, United We Stand America, and others were harassed. In addition, over 20 conservative foundations, which criticized President Clinton and his administration, were audited, resulting in great damage to their financial condition and reputations. Not a single liberal organization supportive of President Clinton, such as Jesse Jackson's Rainbow-P.U.S.H. Coalition, was audited and harassed. Indeed, Jesse Jackson's own accountant has publically confirmed that Rainbow - P.U.S.H. has never been audited, despite publicly reported misuse of tax exempt monies. As a Clinton appointee, and given the pattern of political audits, it is obvious that you were responsible for this selective prosecution.

However, while you and the IRS engaged in a pattern of political audits on behalf of your benefactor, President Bill Clinton – who not coincidentally granted you a waiver for your conflict of interest concerning AMS², a company you own and which contracts with the IRS for tens of millions of dollars in business – you looked the other way when it came to investigating and taking action against radical Islamic front groups which reportedly launder money to fund terrorist operations on American soil.

As a result, and as set forth below, please immediately take appropriate action against the following tax exempt and other organizations. The failure to do so would constitute a gross dereliction of duty as an American, and under your authority as Commissioner of the IRS.

II. TAX EXEMPT AND OTHER ENTITIES TO INVESTIGATE IMMEDIATELY.³

²John Berlau, "IRS Boss Snagged Clinton Waiver," *Insight Magazine*, May 7, 2001.

³Judicial Watch does not equate terrorist funded activities with the Arab-American community in general.

HAMAS is an acronym for the Arabic term for “The Islamic Resistance Movement” – *Harakat al Muqawama al Islamiyya*. It is an off-shoot of the Muslim Brotherhood (MB), and has repeatedly engaged in terrorism. Key U.S.-based leaders of the HAMAS organization, including but not limited to Mousa Abu Marzook⁴, Ismail Elbarassee, Nasser Al Khatib and Mohammad Salah⁵, established major non-profit organizations such as religious, educational, scientific, literary, and research organizations in the United States from which HAMAS reportedly has organized, recruited, trained and planned terrorist attacks.

Non-profit entities organized under Section 501(c)(3) of the IRS Code have been used to “launder” financial transactions and facilitate the transfer of funds supporting violent terrorist attacks by HAMAS and others. Some of these non-profit organizations have partnered with “HAMAS controlled” for-profit businesses in elaborate and complicated financial transactions intended to mask the flow of terrorist funds into and out of the United States. **Based on our analysis of publically available documents, and other published reports, it is clear that this U.S.-based network has also provided financial resources for Osama bin Laden and his terrorist operations.**

A. Tax Exempt Organizations That Reportedly “Front” For HAMAS:

1. United Association for Studies and Research⁶
5524 Hempstead Way
Springfield, VA 22151
(Office in Chicago, IL)

Comment: United Association for Studies and Research (“UASR”) reportedly serves as the headquarters of the political arm of HAMAS in the United States. Mousa Abu Marzook served as the UASR “political director.” Marzook was subsequently deported from the United States to Jordan.

2. Islamic Association for Palestine⁷

⁴Steven Greenhouse, “U.S. Detains Arab Tied To Militants,” *The New York Times*, Friday, July 28, 1995, page 1 (Exhibit 2).

Charles W. Hall; Robert O’Harrow, Jr., “Virginia Man Suspected of Terrorism Known for Anonymity,” *The Washington Post*, Tuesday, August 8, 1995, Page B1, (Exhibit 2).

Michael Daly, “Fan of Suicide Bombing,” *New York Daily News*, Sunday, May 20, 2001, Page 2 (Exhibit 2).

⁵Judith Miller, “Israel Says That a Prisoner’s Tale Links Arabs in U.S. to Terrorism,” *The New York Times*, Wednesday, February 17, 1993, page 1 (Exhibit 3).

⁶*Bank & Lender Liability Litigation Reporter*, “Suit Accusing Groups of Funding Terrorism Can Continue,” February 8, 2001, Vol. 6; No. 12; Pg 10 (Exhibit 4).

888 S. Greenville, Suite 307
Richardson, TX 75081
(Offices in Chicago, IL and California)

⁷Steve McGonigle, "Grand Jury Pursues Records; Palestinian Group's Files Subpoenaed After Raid By Terrorism Task Force," *The Dallas Morning News*, Friday, September 7, 2001, Page 33A (Exhibit 5).

Judith Miller, "FBI Searches Internet Concern In Inquiry Into Mideast Terrorism," *The New York Times*, Friday, September 7, 2001, page A15 (Exhibit 5).

3. North American Islamic Trust⁸
2622 East Main Street
Plainfield, Indiana 46168
(Offices in Pittsburgh, PA and Toledo, OH)
4. Islamic Relief Association⁹
1504 B Mount Vernon Ave. Alexandria, VA 22301
5. Islamic African Relief Agency¹⁰
201 E. Cherry, Suite #DColumbia MO 65203

Comment: The Islamic African Relief Agency (“IARA”) reportedly received 2 U.S. State Department grants in 1998 worth \$4.2 million dollars. **IARA reportedly transferred money to Mercy International, another non-profit Muslim organization that purchased the vehicles used by Osama bin Laden to bomb the U.S. embassies in both Kenya and Tanzania on August 8, 1998.**

⁸*Agence France Presse*, “Chicago-Area Moslem Groups Allegedly Launder Money For Hamas,” September 8, 1998 (Exhibit 6)

Ben Tinsley, “Arlington Islamic Society Leader Temporarily Reinstated,” *The Dallas Morning News*, Thursday, July 6, 2000, Page 27A (Exhibit 6).

⁹Jacob Dallal, “State Unsure How To Deal With Moslem Charity,” *The Jerusalem Post*, Friday, August 4, 1995. Page 8 (Exhibit 7).

¹⁰Judith Miller, “U.S. Contends Muslim Charity Is Tied To Hamas,” *The New York Times*, Friday, August 25, 2000, page 21 (Exhibit 8).

6. Holy Land Foundation for Relief and Development¹¹
(Formerly, the Occupied Land Fund)

Comment: The Holy Land Foundation provides annuities to the families of suicide bombers. In Israel, the offices were closed down and the organization's chairman was arrested and indicted for aiding HAMAS. Marzook claimed a \$210,000 dollar cash donation after establishing the organization.

¹¹*Ibid*

The Dallas Morning News, "Holy Land Foundation Chronology," Sunday June 11, 2000, page 10J (Exhibit 9).

Robert Clow, "Citi's Unholy Mess – Defends Biz With Charity Allegedly Tied To Hamas," *The New York Post*, Wednesday, January 24, 2001, Page 36 (Exhibit 9).

7. Mostan International¹²
8. Muslim American Society
9. Cultural Society
10. Muslim Arab Youth Association (MAYA)¹³
2346 S. Lynhurst Suite 302 Indianapolis IN 46241
(Offices in Royal Oak, MI and Shawnee Mission, KS)
11. Alaqsa Educational Fund
12. Council on American Islamic Relations (CAIR)
1301 NW Highway, Ste 212 Garland, TX 75041
(Offices in Washington, DC, Southfield MI, Santa Clara, CA, Brooklyn, NY, Columbus, OH)
13. Islamic Society of North America (ISNA)¹⁴
14. Islamic Circle of North America (ICNA)¹⁵

¹²*Arab Press Service Organization*, "HAMAS – Profile – Moussa Mohammed Abu Marzuk," March 3, 1997, No. 3, Vol. 33. (Exhibit 10).

¹³PR Newswire, "Terrorism Expert Reveals New Bin Laden Connections," October 30, 1998, (Exhibit 11).

¹⁴Faisal Kutty, "Algerian Islamist Sheikh Mahfoud Nahna Addresses ISNA Conference," *Canadian Chronicle*, as reported in *Washington Report on Middle East Affairs*, August 31, 1998, Vol. XVII; No. 5; Pg. 75. (Exhibit 12)

¹⁵Richard Sisk, "Hamas Uses U.S. Fronts To Raise Cash, Sez Freeh," *New York Daily News*, March 13, 1996, page 6 (Exhibit 13).

166-26 89th Avenue Jamaica, NY 11432

15. American Middle Eastern League for Palestine
888 S. Greenville, Ste. 307 Richardson TX 75081
16. Quaranic Literacy Institute (“QLI”)¹⁶
Oaklawn, IL

Comment: The QLI represents itself as a not-for-profit research institute devoted to the translation of sacred Islamic texts and to scholarly research devoted to such topics. QLI’s principals included its President, Ahmad Zaki Hameed (“Zaki”), Corporate Secretary and Trustee, Amer Haleem and Treasurer, Abraham Abusharif.

In June and July 1991, QLI reportedly engaged in a for-profit land sale and development project in Woodbridge, Illinois with two firms known as Golden Marble, Inc. and Kadi International (a Saudi firm). Ultimately, the deal netted QLI at least \$600,000 profit, of which not a penny was ever reported to the IRS. QLI was granted their 501(c)(3) tax-exempt status in March 1992. QLI reportedly did not file IRS Form 990s for tax years 1991 through 1995.¹⁷

B. For-Profit Entities Reportedly Supporting HAMAS:

1. BMI, Inc.
Secaucus, NJ

Comment: BMI was financed by Marzook (a US Designated Terrorist); Yassin Kadi, financier of HAMAS terrorist Mohammad Salah, and two siblings of Osama bin Laden. BMI has developed property in Indianapolis, IN, Baltimore, MD and other locations. The development schemes parallel those of QLI and Golden Marble, Inc. (above).

2. Kadi International, Inc.
3. Golden Marble, Inc.
4. Mecca Investment International¹⁸

¹⁶*Associated Press*, “Feds Seize Assets In Hamas Case,” Wednesday, June 10, 1998 (Exhibit 14).

¹⁷Judith Miller, “Suit Accuses Islamic Charities of Fund-Raising for Terrorism,” *The New York Times*, Saturday, May 13, 2000, page 10 (Exhibit 15).

¹⁸Richard Cole, “Fraud, Drug Trafficking and Charities in U.S. Help Finance Terrorists,” *The Associated Press*, Monday, May 26, 1997 (Exhibit 16).

1525 Hi Point St #102 Los Angeles, CA 90035

III. CONCLUSION.

On behalf of the American people, Judicial Watch demands that you and the IRS do your duty and investigate and, if necessary, shut down these organizations, before more terrorist incidents occur.

Judicial Watch, and the American people, await your speedy, affirmative response to our complaint.

Sincerely,

JUDICIAL WATCH, INC.

Larry Klayman
Chairman and General Counsel

Thomas Fitton
President

cc: President George W. Bush
The White House
Honorable John D. Ashcroft
Attorney General of the United States
Honorable Paul O'Neil
Secretary of the Treasury
Michael Chertoff, Esq.
Assistant Attorney General
Criminal Division
U.S. Department of Justice
All Members of Congress
(Senate and House)