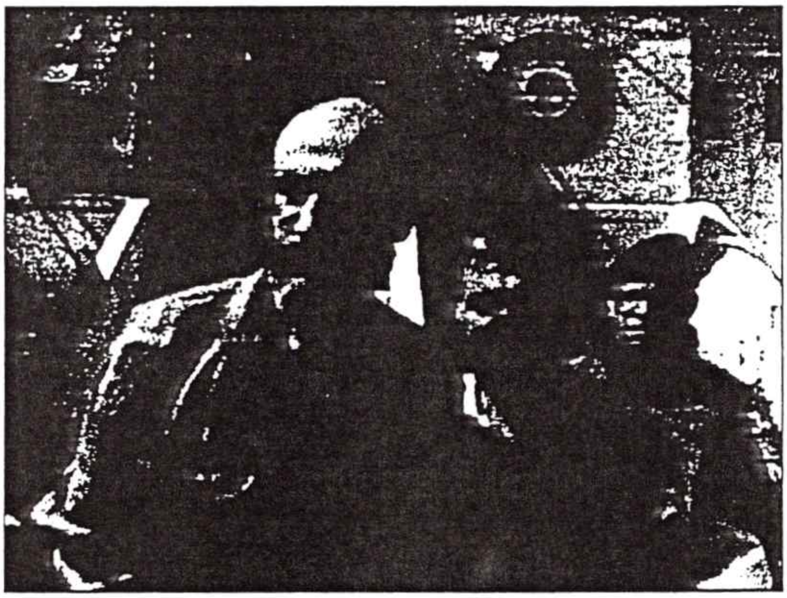
The Chicago Forfeiture Case
Implications for Counterterrorism

Gary Skulnik

UNITED STATES AUTHORITIES HAVE EMployed a new, previously untested weapon in the battle against terrorism—civil forfeiture. Generally used against drug dealers, federal authorities wielded it on June 9 in a counterterrorist operation, when they seized the assets (worth about $1.4 million) of Mohammad and Azita Salah, and the Quranic Literacy Institute (QLI), based in Oak Lawn, Illinois. They seized cash, bank accounts, a van and the Salahs' home in Bridgeview, Illinois. Authorities charged that Salah, also known as "Abu Ahmad," financed Hamas terrorist activities in the Middle East, acting as a conduit for large transfers of money from Hamas operatives in Europe, the United States, and the Persian Gulf area to Hamas cells in the West Bank and Gaza.



Mohammad "Abu Ahmad" Salah being taken into custody in Israel, January 1993.

The case against Salah had been building for years. On July 27, 1995, he had been added to the list of "Specially Designated Terrorists" by the US Treasury's Office of Foreign Assets Control. At the time, he was serving a five-year sentence in an Israeli prison after his January 25, 1993 arrest for supplying money to fund Hamas terrorist actions. QLI was now implicated because of its connection to Salah and its involvement in a land deal that the FBI suspects was undertaken to generate money for Salah.

The outcome of this civil forfeiture case could have a direct effect on future actions involving civil forfeiture as a means of stopping the flow of money from the United States to terrorists abroad. The latest charges against Salah and QLI are civil, and directed only at their assets. No criminal charges have been filed against them. Federal officials say QLI and the Salahs have filed claims in court, a necessary pre-requisite to fighting the government's action. They say there will likely be a hearing in September, at which time the government will have to show there is probable cause to believe that the assets are proceeds of illegal activities. As the legal issue plays out in court, the battle for public opinion is being engaged forcefully by Salah's supporters. They are painting a misleading picture of the civil forfeiture and its implications for other Americans. In the matter of Salah, the evidence is clear and specific, and shows a direct link between his actions and Hamas terrorist activities.

The evidence submitted by Israel to a US court in support of its request for the extradition of Hamas leader Musa Abu Marzook (who had been arrested in July 1995 when he entered the United States and was deported in 1997 to Jordan), illustrates Salah's involvement with Hamas. It included statements Salah made to Israeli officials and a statement he wrote in Arabic to people he thought were imprisoned Hamas operatives (but in reality were prison informants). Judge Kevin Duffy, in his ruling to approve Israel's extradition request regarding Marzook, addressed the nature of Salah's confession. He wrote in his May 7, 1996 decision: "Abu Ahmad's confession corroborates other evidence offered by Israel [about Marzook]. Moreover, Abu Ahmad's statement of August 21, 1995, has certain hallmarks of reliability which cannot be ignored. That statement was hand-written by Abu Ahmad. He gave this statement to persons he thought were Hamas members, because he wanted to show that he possessed significant information about Hamas membership and leadership."

United States District Judge Kimba Wood, in an October 9, 1996 ruling on a related matter, also wrote about Salah's confessions in Israeli custody: "[T]he Arabic statement in Abu Ahmad's own hand that was given by him to some other inmates furnishes strong support for Judge Duffy's ruling."

The following is a short synopsis of the case against Salah and QLI, summarized from the affidavit of FBI Special Agent Robert Wright and the written material submitted by Israel for use in Marzook's extradition hearing. Wright stated that his findings were based on FBI investigations dating back to 1989 and the Israeli material. Note, this is not a complete account of the evidence against Salah or QLI.

Paragraph 14 of Wright's affidavit states:

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Bank and airline records obtained by the FBI and reviewed in conjunction with statements to Israeli authorities by Salah and other Hamas operatives indicate that between June 18, 1991 and December 30, 1992, Mohammad Salah expended in excess of $100,000 in direct support of Hamas military activities.

A look at one specific example of Salah's money transfers helps illustrate the direct connection between his actions and the death of Israelis. According to statements made by Salah while in Israeli custody, and corroborated by the other involved parties, he gave in excess of $48,000 to Hamas operative Salah Al-Arouri in September 1992. The money was to be used to buy weapons for use in Hamas terrorist attacks. Al-Arouri took the money and gave $45,000 of it to another Hamas operative, Musa Dudin. He told Dudin to buy weapons with the money. Dudin purchased a small cache of weapons, including one M-16, two AK-47s, two Uzis, a number of 9mm pistols and ammunition. He gave one of the weapons, the M-16, to Hamas terrorists Bashir Talal and Hamada Salah, who used it to murder an Israeli soldier in October 1992. The transition period, from the time the money left Mohammad Salah's hands to the actual murder, was only one month. Bank records show that Salah withdrew $50,000 from his account while in Israel during this time period. He wrote ten consecutive personal checks in the amount of $5,000 each.

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Salah returned to the United States after leaving Israel on September 9, 1992. In December of 1992, Salah would later confess, Musa Abu Marzook ordered him to return to Israel, the West Bank and Gaza Strip, this time with greater sums of money at his disposal. The purpose of Salah's mission apparently was to reorganize Hamas following Israel's deportation of 415 of the group's operatives on December 17, 1992. According to Salah, Marzook said Hamas' situation in the West Bank and Gaza Strip was "serious" because the deportations and arrests had decimated the group's leadership. Salah said that Marzook instructed him to distribute $790,000 to Hamas cells in support of military (terrorist) activity.

An FBI review of bank records indicates that Salah's Chicago bank accounts received $985,000 from accounts connected to Hamas leader Musa Abu Marzook in December 1992 and January 1993 (see accompanying chart for a detailed outline of the money flow). Armed with a large financial war chest, Salah set off for Israel, arriving on January 14, 1993.

An indication of how the money was disbursed comes from a senior member of Hamas. Bassam Musa, a leader of Hamas in Gaza, was questioned by Israeli authorities on four separate occasions in January and February of 1993. According to transcripts of the questioning, which Israel submitted to a US court in support of Israel's request for Marzook's extradition, Bassam Musa told Israeli authorities that he met Salah in January 1993 and received $30,000. He also said that Salah gave $50,000 to Abu Saab, the Commander of the Hamas military apparatus. Musa said Salah met Saab at the Al-Ahali Hospital in Gaza.

On January 21 and 22, 1993, just days prior to his arrest by the Israelis, Salah received another infusion of money from Nasser Al-Khatib, a Marzook associate in the United States. Special Agent Wright notes in paragraph 53 of his affidavit that: "In an interview with the FBI in March of 1994, Al-Khatib acknowledged being a supporter of Hamas, and that he donated money to Hamas causes. Al-Khatib further related that prior to leaving the United States in June of 1993, he was an employee of Abu Marzook, serving essentially as Abu Marzook's personal secretary." In that capacity, Al-Khatib said he made financial transactions on Abu Marzook's behalf. Bank records show that Al-Khatib wired $50,000 to Salah's La Salle Bank account in Chicago on January 21, 1993 and that on the same day, Al-Khatib wired $30,000 to an account at Standard Bank & Trust in Chicago, which Salah and his wife held jointly. The next day, Al-Khatib wired $170,000 to the Salahs' joint account. Two days later, Salah was arrested in Israel. He was found with $97,400 in his possession, and notes he had compiled from his meetings with over 40 Hamas operatives.

The Quranic Literacy Institute

Paragraph 21 of FBI Agent Wright's affidavit states:

> *A review of bank records further indicates that QLI and QLI-related entities or individuals likely were a source of funds for Salah's Hamas-related expenditures between 1991 and his arrest in January of 1993 and beyond. They also suggest that the QLI-related transfers of funds to Salah were, in significant part, structured in an effort to conceal QLI as the source of the funds.*

This statement is backed up by the following pieces of evidence.

- Bank records show that QLI President, Ahmad Zaki Hammad, gave Salah three checks for $6,000 each on three consecutive days in October, 1991. The checks were not drawn from QLI bank accounts, but rather came from Hammad's personal account.
- On June 18, 1991, bank records show Salah received $40,500 in the form of five separate cashier's checks. The checks were obtained by Linda Abusharif, the sister of QLI treasurer Abraham Abusharif.
- QLI's relationship with Salah helped him obtain a mortgage to purchase his house in Bridgeview, Illinois. QLI vouched to the lending bank that Salah was an employee of the organization, earning $36,000 a year. The FBI investigation found that Salah never was an employee of QLI as he and the organization claimed.
- *FBI investigators found evidence of a land deal conducted by QLI with the backing of a Saudi named Yassin Kadi. Special Agent Wright stated that the intent of the deal was to raise money for Salah and others to distribute to Hamas. In short, the deal involved QLI using Kadi's money ($820,000 wired from Switzerland) to purchase a tract of land in Illinois with a company called "Golden Marble," run by Dr. Tamer Al-Rafai, a doctor and businessman. The idea apparently was to generate income by renting out*

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the property, then sell it when a large infusion of cash was needed. Kadi's large transfer of funds to QLI in July of 1991 was not reported to the government on QLI's tax forms. According to a footnote to paragraph 35 in Special Agent Wright's affidavit, the FBI's review of tax records from 1991 through 1995 shows that QLI did not file the annual IRS Form-990, which Wright states is required of tax exempt organizations.

The grassroots support for Salah

Salah has the firm backing of various groups in the Muslim community. After serving his time in an Israeli prison, Salah returned to a hero's welcome in Chicago on November 10, 1997. He was greeted at the airport by his family and more than 75 members of the Arab and Muslim community. Rafeeq Jaber is the President of the Islamic Association for Palestine (IAP), a radical Islamic group called a "Hamas front" by former senior FBI official Oliver Revell. Jaber was quoted in the November 21, 1997 edition of the IAP newspaper, the *Muslim World Monitor,* saying of Salah, "he loves people, the poor, and the needy, of that we are all guilty. That's a crime to the Israelis." Following the government's seizure of the Salahs' and QLI's assets, the IAP organized a campaign on the Salahs behalf, demanding that the government cancel the seizure. It also demanded that the government end its investigation of Salah.

Ray Hanania, a Board Member of the Palestinian American Congress, also jumped into the fray. He posted an article on his web-site called "For Everyone Else but Us," in which he defended Salah. Hanania wrote, "These so-called 'anti-terrorism laws' were created to allow anti-Arab lawmakers to do illegally what they can't do legally within the bounds of the US Constitution, because these lawmakers do not believe that Palestinian Americans have the same rights as other people in this country."

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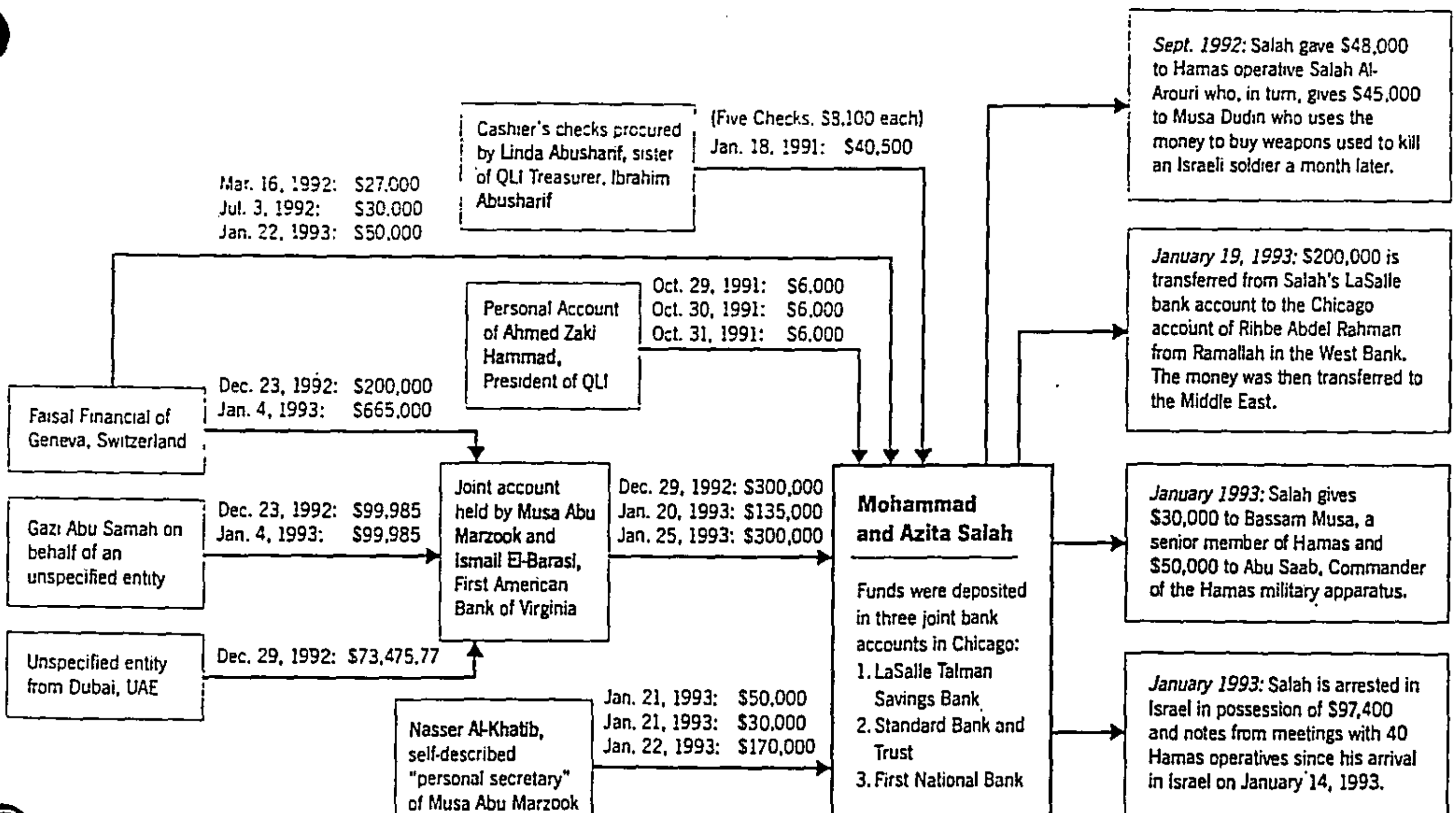
The Arab American Action Network (AAAN), a Chicago-based, self described not-for-profit organization issued a press release on June 17, 1998 characterizing the government's action as part of a trend of "politically motivated harassment of people who have dared to speak out for what they believe, or to become active in causes that are unpopular, especially related to the situation in the Middle East." The statement concluded with a note that efforts are underway to organize a defense fund for Salah and other "solidarity activities."

Some local Chicago media have embraced Salah's position. *The Chicago Tribune* carried an editorial on June 19, 1998

Mohammad Salah, QLI and the Hamas Money Trail*



* *This is not a complete account of the money flow to Mohammad Salah*

... have the ... defend himself before the government seizes his assets. The paper also questions the case against Salah, because it believes it rests partly on his confession in an Israeli prison, which the newspaper claims may not be admissible in court (despite the rulings of Judges Duffy and Wood in the Marzook extradition cases, in which they stated that Salah's confessions were admissible as evidence).

The Daily Southtown, another Chicago newspaper, printed a favorable portrait of Salah on June 17, 1998, uncritically accepting his allegations of mistreatment in an Israeli prison. The reporter, Molly Sullivan, wrote that Salah "seems far from a terrorist." She quoted him as saying he is a "man of peace" who never had any problems with people. She reported how Salah "described how he was handcuffed, blindfolded and thrown on the floor of an Israeli military vehicle before being placed in an interrogation room at an Israeli military prison. There he endured days of torture, emotional abuse, and sleep deprivation while Israeli authorities outlined their case against him." Sullivan continued, "It was only after four months of those conditions that Salah pleaded guilty to being a member of Hamas and distributing money without knowing how it was being spent."

As noted earlier, two judges found that the evidence against Salah, submitted by Israel for the Marzook extradition cases, was written in his own hand, to people he thought were members of Hamas. His confession was not the product of months of torture, emotional abuse, and sleep deprivation, as some of his backers claim. Judith Miller, a reporter for the *New York Times* and author of the book, *God Has Ninety-Nine Names,* visited the prison where Salah was being held on February 11, 1993, just a few weeks after his arrest. As she recounted to a reporter in the June 14, 1998 edition of the *Chicago Sun Times,* "The man I saw seemed to be quite relaxed and not under any obvious pressure. This is not a man who seemed to be fearful for his life." Salah was not aware that Miller was secretly watching him talk with his Israeli interrogator, so he could not have been putting on a show for her benefit.

The civil forfeiture taken against the assets of Mohammad and Azita Salah and the Quranic Literacy Institute does not mean they are presumed guilty before having a chance to defend themselves. As the Justice Department press release on June 9, 1998 makes clear, under federal law, "The Salahs may continue to occupy the residence [their house] until such time as the court considers all issues and rules on the government's complaint." They will have their day in court and the opportunity to defend themselves. If the government's action stands, it would be an important step in the fight against international terrorism operating from US soil.

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