

(01/26/1998)

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FEDERAL BUREAU OF INVESTIGATION

b7C

Precedence: PRIORITY

Date: 04/16/1999

To: Dallas
National Security

Att.: SSA [redacted]

Att.: [redacted]

A/UC [redacted]

SSA [redacted]

IOS [redacted]

b1

From: Chicago (S)

b1

Contact: SA Robert G. Wright, Jr. Ext. [redacted]

b7C

Approved By: [redacted]

b7C

Drafted By: Wright Robert G Jr

Case ID #: 265C-CG-101942 (Pending)

b1

Title: [redacted] (S)
AOT-IT (MONEY LAUNDERING)

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b1

The investigation has uncovered clear & convincing evidence of a RICO-like criminal enterprise which has been operating within the United States since 1987. The FBI's goal is to neutralize the HAMAS RICO enterprise by means of criminal prosecution, and criminal and civil seizures of its assets. In pursuit of this mission, the FBI is continuously striving to collect the best evidence possible to accomplish the goal neutralizing the HAMAS RICO enterprise.

To date the FBI criminal investigation has identified the following:

1. The source of the funds to create the HAMAS RICO enterprise.
2. The profit and not-for-profit organizations established in United States by HAMAS.

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3. [redacted]

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CLASSIFIED BY: [redacted]
REASON: 1.5 (C)
DECLASSIFY ON: X

952453

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Part 1

(01/26/1998)

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 09-15-2011 BY 60324UCBAW/SB/CMW

FEDERAL BUREAU OF INVESTIGATION

Precedence: PRIORITY

Date: 04/16/1999

To: Dallas
National Security

Att.: SSA [redacted]
Att.: NS-3B, A/UC [redacted]
NS-3B, SSA [redacted]
NS-3B, IOS [redacted]

From: /Chicago

CT-1

Contact: SA [redacted]

Approved By: [redacted]

Drafted By: [redacted]

Case ID #: 265C-CG-101942 (Pending)

Title: VULGAR BETRAYAL
AOT-IT (MONEY LAUNDERING)

Synopsis: To request Dallas Division assistance in the Vulgar Betrayal investigation.

Details: The mission of the Vulgar Betrayal investigation is for the FBI to identify and neutralize through criminal process the HAMAS terrorist support organization located within the United States.

The investigation has uncovered clear & convincing evidence of a RICO-like criminal enterprise which has been operating within the United States since 1987. The FBI's goal is to [redacted]

To date the FBI criminal investigation has identified the following:

1. [redacted]

2. [redacted]

3. [redacted]

april to
SSA [redacted]
(112-36)
on 4/12/99

265C-CG-101942-747

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Part 2

To: Dallas From: Chicago
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identified [redacted] and
[redacted] by the U.S.
b7D HAMAS RICO Enterprise. [redacted]
[redacted]

4. Individuals taking money from the U.S. to HAMAS
members in the Middle East for support of
terrorism.

b3 5. Over [redacted] bank accounts in [redacted] countries utilized by
HAMAS to launder international funds in support of
terrorism.

b7D 6. Linked funds from the U.S. HAMAS RICO enterprise to
b3 [redacted]

The first organization established and funded by the
HAMAS RICO enterprise was [redacted]

[redacted]
has also incorporated 20 other organizations [redacted]

Two of these are [redacted]

[redacted] a U.S.

b3 Specially Designated Terrorist and founder of the U.S. HAMAS RICO
b7C enterprise, [redacted]
and a financial supporter of [redacted]

[redacted] contributors to the financing
of [redacted] and its other 19 subsidiaries.

[redacted] identified [redacted] (another
b7C Specially Designated Terrorist) [redacted]
b3 [redacted]

[redacted]
[redacted] invest the money into a land development
b7C project & utilize the profits to fund HAMAS military training
b3 activity [redacted]
[redacted]

b7D [redacted]

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[REDACTED]
[REDACTED] Fearing all of the funds would soon be transferred, the FBI executed the first-ever use of civil forfeiture laws in a terrorism-related matter to seize the remaining funds (\$1.2 million), a vehicle used by the QLI (\$24,000), and the home of [REDACTED] (\$200,000), which was paid for with terrorist funds.

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On 2/25/99, the FBI served a Federal Grand Jury
Subpoena on [REDACTED]

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(s)

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To: Dallas From: Chicago
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[Redacted]

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[Redacted]

[Redacted]

On 2/25/99, the FBI served a Federal Grand Jury
Subpoena on [Redacted] and [Redacted]

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An interesting development occurred on [Redacted] when SA
[Redacted] of the Dallas Division [Redacted]
(Protect Identity), [Redacted]

[Redacted]

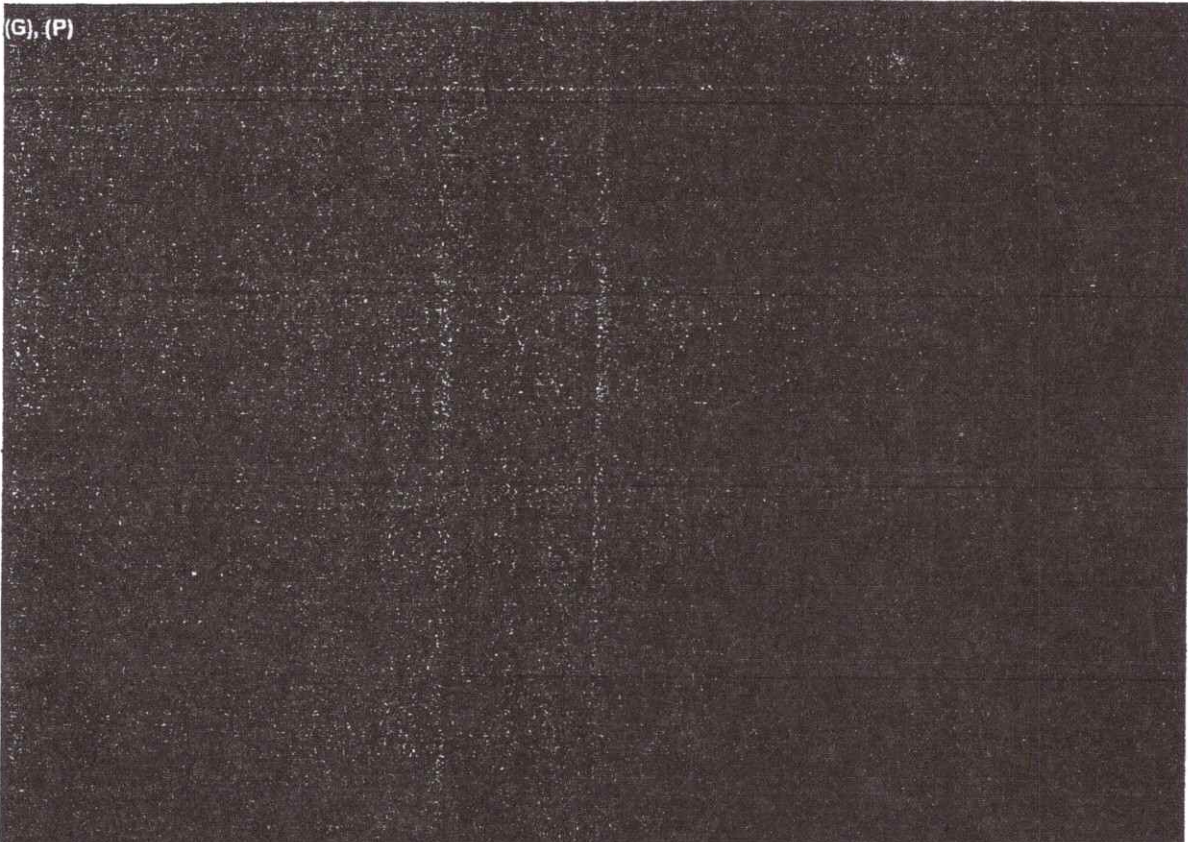
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To: Dallas From: Chicago
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Blackouts not FOIA redactions

(G), (P)



An interesting development occurred on 3/12/99, when SA [redacted] of the Dallas Division met with [redacted] (E), (P), (G) (Protect Identity), [redacted] (E), (P) following an In-Service that SA [redacted] attended at Quantico. [redacted] (E), (P) told SA [redacted] that his boss, [redacted] (P), (G), (D) [redacted] had been subpoenaed before a Federal Grand Jury in Chicago. [redacted] (E) told SA [redacted] that he was worried for the following reasons:

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1. [redacted] (P), (G), (D) would not elaborate on the nature of the matter.
2. [redacted] (P), (D), (G) did not tell him that [redacted] (P), (G), (D) another [redacted] (G), (D) accountant had also been subpoenaed by the same grand jury.

[redacted] (D), (G), (P)



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[REDACTED]

[REDACTED]

[REDACTED] Upon his return to Dallas, SA [REDACTED] obtained some Vulgar Betrayal information from [REDACTED] and discovered that [REDACTED] of the Vulgar Betrayal investigation.

On 3/16/99, SA [REDACTED] telephoned SA [REDACTED] regarding the above contact. SA [REDACTED] advised that he has

[REDACTED]

On 4/12/99, SA [REDACTED] telephoned SA [REDACTED] to advise that [REDACTED]

[REDACTED]

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SA [REDACTED] asked SA [REDACTED] if he wanted him to meet with [REDACTED] SA [REDACTED] was told that [REDACTED]

[REDACTED]

[REDACTED]

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b7E

To: Dallas From: Chicago
Re: 265C-CG-101942, 04/16/1999

(D), (G), (P)

(E), (G), (P)

(E), (P), (G) asked SA ABDEL-HAFIZ if he should quit his job at (G), (E). SA ABDEL-HAFIZ told (E), (G), (P) that he was not aware of any investigation regarding the (G) & the other employees. Upon his return to Dallas, SA ABDEL-HAFIZ obtained some Vulgar Betrayal information from DET. (P) (Dallas JTTF) and discovered that (G) was a target of the Vulgar Betrayal investigation.

On 3/16/99, SA ABDEL-HAFIZ telephoned SA (P) regarding the above contact. SA ABDEL-HAFIZ advised that he has known (E), (G), (P) for many years and that he had listed him as a reference on his application for employment with the FBI. In addition, (E), (G) is applying for a Language Specialist position with the FBI.

On 4/12/99, SA ABDEL-HAFIZ telephoned SA (P) to advise that (E), (G), (P) telephoned him over the weekend of April 10-11. (E), (G), (P) advised SA ABDEL-HAFIZ that (D), (G), (P) asked him if he thought it would be appropriate for him to contact the FBI agent in Dallas regarding the Chicago Federal Grand Jury. (E), (G), (P) told him that the agent would likely not talk to him about the matter.

SA ABDEL-HAFIZ asked SA (P) if he wanted him to meet with (D), (G), (P). SA ABDEL-HAFIZ was told that he should meet with him, however he would have to record the conversation since this person is the subject of a major criminal investigation. SA (P) met with AUSA (P) U.S. Attorney's Office for the Northern District of Illinois, who concurred with the decision to have SA ABDEL-HAFIZ meet with (D), (G), (P).

On 4/14/99, SSA (P) had a conference call with SSA (P) & SA ABDEL-HAFIZ regarding a future meeting between SA ABDEL-HAFIZ & Vulgar Betrayal Target (D), (G), (P).

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again / was in the same issue?

The call concluded with SA ABDEL-HAFIZ deciding not to pursue a meeting with (D), (G), (P)

On 4/15/99, SA (P) & SA (P) AUSA's (P) (P) and (P) met in AUSA (P) office to discuss the Vulgar Betrayal investigation. During this meeting, AUSA (P) asked about the Dallas agent's future contact with (D), (G), (P). The AUSA's were informed SA ABDEL-HAFIZ did not want to pursue this matter since there was a need to record the meeting. At 10:00 am, a conference call was made to SSA (P) and SA ABDEL-HAFIZ for clarification of why SA ABDEL-HAFIZ was not willing to meet with (D), (G), (P). SA ABDEL-HAFIZ related the following:

Since the 3/12/99 encounter in Washington D.C. with (E), (G), (P) has telephoned SA ABDEL-HAFIZ on numerous occasions. The calls from (E), (G), (P) raised two issues. (1) The concerns of (D), (G), (P) in particular about his scheduled Grand Jury appearance, and (2) (E), (G), (P) (E), (G), (P) called on Sunday, April 11, 1999, and stated that (D), (G), (P) was getting scared about his upcoming grand jury appearance. (E), (G), (P) asked SA ABDEL-HAFIZ whether it would be appropriate and possible for (D), (G), (P) to contact SA ABDEL-HAFIZ to give (D), (G), (P) some advice regarding his Grand Jury appearance. *He did not happen.*

AUSA (P) explained the significance of the contacts made by (E), (G), (P) and the potential significance of a contact with (D), (G), (P) as yielding: (1) possible evidence of mens rea, or knowledge, of wrongdoing, and (2) lines of inquiry that would possibly constitute an Obstruction of Justice violation. SA ABDEL-HAFIZ was asked by the Chicago AUSAs whether he would be willing to meet with (D), (G), (P) and record the conversation by wearing a body recorder. SA ABDEL-HAFIZ was told that the recording would protect him, and in addition, provide the best possible evidence for the case.

SA ABDEL-HAFIZ related that he would be willing to meet with (D), (G), (P) or anybody else, but that he did not want to wear a body recorder, or consent to any other type of consensual recording. When the AUSA's asked for an explanation, SA ABDEL-HAFIZ stated that the recording would be subject to discovery at a later time and that could possibly be learned in the Muslim community in Dallas and elsewhere that he had done this. He expressed that disclosure would create a grave safety issue for himself & his family. When AUSA (P) told SA ABDEL-HAFIZ that any safety risks would be addressed by the FBI, SA ABDEL-HAFIZ responded that he did not trust the FBI to protect him or his family. When asked by AUSA (P) why he thought he would

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face safety risks, SA ABDEL-HAFIZ responded that the secret recording of a conversation between Muslims is regarded in the Muslim culture as the ultimate act of betrayal. When AUSA (P) asked why it was any different from reducing a conversation with a criminal subject to an FD-302 and testifying about the conversation, SA ABDEL-HAFIZ related that it was a cultural matter that we wouldn't understand.

SA ABDEL-HAFIZ asked why it was necessary to record a conversation with (D), (G), (P) AUSA (P) explained that it was necessary to protect the agent, to assure that any false representations about what the agent said or did in the conversation could be disproved.

Following a 3:30 pm telephone conference between the Chicago AUSAs and SSA (P) regarding the same subject matter as the 10:00 am call, (P) United States Attorney for the Northern District of Illinois, was briefed about the reluctance of SA ABDEL-HAFIZ to record a possible meeting that he might have with a prime target of the Vulgar Betrayal matter. USA (P) then contacted Chicago SAC (P) to further discuss the situation. Both USA (P) and SAC (P) agree that the FBI should pursue the effort to obtain this evidence.

To: Dallas From: Chicago
Re: 265C-CG-101942, 04/16/1999

LEAD (s):

Set Lead 1:

DALLAS

AT DALLAS, TEXAS

The Dallas Division is requested to have SA GAMAL ABDEL-HAFIZ inform (E), (G), (P) to tell (D), (G), (P) that ABDEL-HAFIZ is willing to meet with (D), (G), (P) regarding the Chicago Grand Jury and it's investigation. It is further requested that SA ABDEL-HAFIZ meet with (D), (G), (P) in DALLAS and consensually monitor the meeting. *Hafiz Can I bring him to Dallas?*

Should (D), (G), (P) prefer to conduct the conversation with SA ABDEL-HAFIZ on the telephone, Chicago requests that (D), (G), (P) be called at his residence after work hours and that the conversation also be consensually monitored.

♦♦