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FOREIGN AID AND THE FIGHT AGAINST TERRORISM AND PROLIFERATION: LEVERAGING FOREIGN AID TO ACHIEVE U.S. POLICY GOALS

HEARING

BEFORE THE

SUBCOMMITTEE ON TERRORISM, NONPROLIFERATION, AND TRADE

OF THE

COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

SECOND SESSION

JULY 31, 2008

Serial No. 110–225

Printed for the use of the Committee on Foreign Affairs

Available via the World Wide Web: http://www.foreignaffairs.house.gov/

U.S. GOVERNMENT PRINTING OFFICE

43–840PDF WASHINGTON : 2008

For sale by the Superintendent of Documents, U.S. Government Printing Office
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FOREIGN AID AND THE FIGHT AGAINST TERRORISM AND PROLIFERATION: LEVERAGING FOREIGN AID TO ACHIEVE U.S. POLICY GOALS

THURSDAY, JULY 31, 2008

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON TERRORISM, NONPROLIFERATION, AND TRADE,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:33 a.m. in room 2200, Rayburn House Office Building, Hon. Brad J. Sherman (chairman of the subcommittee) presiding.

Mr. SHERMAN. Folks, thanks for being here. I have called this hearing today to consider how U.S. aid for counterterrorism and nonproliferation can be made more effective, and to discuss how our foreign aid programs generally, especially large government-to-government securities assistance programs can better be leveraged to help the United States achieve its foreign policy objectives.

We also need to make sure that when we spend money on foreign aid programs we do not fund the other side in the war on terrorism. We need to make sure that we are working with groups that are truly opposed to terrorism and that espouse views that are within the broad range of views consistent with U.S. objectives.

Now, these hearings recently seem to have raised some controversy. Three groups have sought to get these hearings canceled. One of those groups is the Council on American-Islamic Relations, which has been listed as an unindicted co-conspirator in the Justice Department case regarding those raising money for Hamas.

The second group is the Islamic Society on North America, which is also listed as an unindicted co-conspirator in that case and whose parent organization, NAIT, is described in a recently declassified FBI memo with the words "within the organizational structure of the NAIT" are those who have declared war on the United States with the common goal being to further holy war, that is, Islamic jihad.

So while these two groups have managed to convince some very good Americans that they should be included in these hearings, at least in today's hearings we are going to hear from people who are undoubtedly on our side in the war on terrorism.

The third group that has also sought to derail these hearings is the Muslim Public Affairs Council. That council is very closely tied to the two Hathout Brothers, one of whom is a former president of

the organization, the other is a senior advisor and one of the founders. Hassan Hathout has described himself as a disciple of a man who founded the Muslim Brotherhood. Mahir Hathout has not only praised Hezbollah as saying Hezbollah is fighting for freedom, but has also praised al-Turabi, the Sudanese leader who played such an important role in getting Osama bin Laden sanctuary in Sudan and launching the Sudanese war of genocide against those in southern Sudan.

So I know these groups have worked the press and have worked on an image to try to persuade people that they are reasonable in gathering information. I listen very carefully to all sides. We have all listened to bin Laden's tapes. We need information from every source. Today's hearings, however, give us a chance to hear from people who are undoubtedly on our side in the war on terrorism.

Now, I am in strong support of foreign aid. I have voted for every foreign aid assistance bill, and I have sought to increase the amount we spend on foreign aid to so-called Function 150 programs in our budget.

I approach these hearings with two points of view: That foreign assistance, including humanitarian development assistance, plays a critical role in our foreign policy. While I would support them simply because they are the right thing to do, I also support foreign aid because foreign assistance programs can effectively alleviate many of the foreign policy problems of the United States. Foreign aid is a powerful weapon in the war of ideas. Nothing burnishes our image abroad better than saving lives, improving health care, providing education and infrastructure to developing countries. It is in our national security interest to provide foreign aid.

Foreign assistance funding rose from $15 billion in Fiscal Year 1999 to a request of $26 billion in the budget we are working on now. I would point out that this figure is perhaps an understatement of our expenditure on foreign assistance because it excludes a number of efforts funded by the Pentagon that are truly humanitarian in nature. Indeed, much of our traditional foreign aid has been shifted over to the Pentagon. This is an area I know that we will examine in these hearings, and the full committee will be looking at this as well with an eye to whether this is the most effective way to administer a foreign aid program that has so many different objectives.

Now, something we understand here is that politicians often pay a heavy price for supporting foreign aid. In contrast, it is rare that a congressman will pay a price for voting against the foreign aid bill. So when our foreign aid funds go to the other side in the war on terrorism not only are we wasting scarce dollars, not only are we providing aid to the enemy, but we are also, even if just a few of our foreign aid dollars are so misplaced, are making voting for foreign aid very precarious for those of us up here.

I have invited Steven Emerson to testify on our second panel today. He has detailed instances over the past several years where the State Department and other agencies have provided support to groups that espouse the very ideology we confront today. It is critical that officials that administer foreign aid programs exercise due diligence. Much of what has been uncovered, frankly, could have

been uncovered through a Google search, although Mr. Emerson's work goes far beyond that.

The overwhelming majority of NGOs, including Islamic NGOs, do excellent work and are not connected with or support Islamic terrorism, and they are not hostile to the United States, but for the good of our foreign aid programs the State Department needs to do a better job of vetting those who receive U.S. assistance or participate in U.S. Government-funded programs.

By far, the greatest U.S. foreign aid support for the other side in the war on terrorism relates to the World Bank, which is outside the jurisdiction of this subcommittee, and has been a focus of much of my work over in the Financial Services Committee, which does have jurisdiction. We have seen hearing after hearing in that committee in which we focused on the $1.34 billion of concessionary loans the World Bank is making to the Government of Iran, and how that helps the Iranian Government stay in power both in terms of being able to cut the ribbon on particular projects but also the signal that sends the Iranian people that the United States has been utterly unable to economically isolate that regime, and that in fact the world is sending them money.

The failure of the Department of the Treasury and the Secretary of the Treasury to personally lobby other foreign ministers, finance ministers, in order to get an extraordinary meeting of the board of the World Bank to at least stop further disbursements on these loans is perhaps the greatest failure of our foreign policy establishment, to make sure that our foreign aid and the foreign aid agencies that we work for do not embarrass those of us who are concerned with the war of terrorism and are being called upon to vote for foreign aid year after year.

Now, currently as to nonproliferation programs the total budget of the United States for nonproliferation and threat reduction programs is $1.2 billion per year, just under 1/12 of the total foreign assistance budget, or an amount equal to our combined foreign assistance totals to Colombia and Jordan.

While the amount spent outside the former Soviet Union is growing, the bulk of this money is still under the jurisdiction of the Department of Defense, under the cooperative threat reduction program for the former Soviet Union and related Energy Department programs compared to these small amounts are administered through State Department programs of the State Department as the lead agency in foreign affairs is instrumental the facilitation of these efforts.

This raises the question whether at even today's lower price of $125 a barrel Russia needs United States money in order to deal with its nuclear weapons and/or whether it is insulting to Russia to assert that they need our money and our aid, although I guess so far that in many cases they have been willing to take it.

I look forward to seeing how our program of hoping and working to make sure that there are no loose nukes in Russia is done in a way that reflects the Russia of today, both in terms of its economic resources and its pride, not the Russia of Boris Yeltsin.

Now, central to the efforts of the State Department or the Proliferation Security Initiative and the Nonproliferation and Disarmament Fund, the Proliferation Security Initiative is a partnership

of 15 core countries and some 60 less core members, mostly U.S. allies that have agreed on an ad hoc basis to attempt to restrict the cross-border flow of nuclear biological and chemical technology, chemical weapon technology.

The Nonproliferation and Disarmament Fund designed to rapidly respond to emergency proliferation threats has worked mostly in the former Soviet Union and also Libya. It has the distinct advantage of broad notwithstanding authority, meaning it can operate anywhere in the world regardless of our political relations with a given country, it has therefore been instrumental in efforts to shut down the North Korean nuclear program.

The question of what constitutes counterterrorism assistance itself is open to question. According to the Bush administration providing F–16 fighter plane upgrades to Pakistan is critical to counterterrorism assistance. We will need to explore in these hearings whether those upgrades are designed to help use those F–16s in the frontier providences of Pakistan against terrorist targets or whether the F–16 fighters themselves and/or the upgrades are most directly relevant to Pakistan's confrontation with India.

The F–16 is basically a fighter aircraft. The Taliban and al-Qaeda do not have MIGs. I am not sure whether the F–16s are critical to Pakistan's role on its Afghan border. But for our purposes today we are focused primarily on programs managed by the State Department. Those being the Anti-Terrorism Assistance Program, ATA, the Counterterrorism Finance, CFT, a border control assistance program known as HIP/Pisces, and the Counterterrorism Engagement Program (CTE). If there is any letter of the alphabet not included in any of those, I apologize to that particular letter.

As the State Department's role in the coordination of counterterrorism is government-wide, we will look also at programs not directly under the State Department's purview.

We have a tendency to compartmentalize our government functions, various policy areas and geographic regions are often atomized in the State Department and other bureaucracies, bureaucracies have bureaus. Bureaus tend to defend their turf. However, supporting countries that help us to combat terrorism and stop proliferation should be a factor in foreign aid decisions, especially as noted when we look at large non-humanitarian aid programs.

In other words, terrorism and nonproliferation bureaus should be consulted when major aid decisions are made.

So I look forward to the testimony on what input or witnesses have on our foreign aid decisions to make sure that every foreign aid dollar is used not only to achieve our humanitarian objectives but to achieve our counterterrorism and nonproliferation objectives as well.

With apologies for going a little long in my opening statement, I now yield to Mr. Royce.

Mr. ROYCE. Thank you very much, Mr. Chairman. I do not think too many people are satisfied with our aid programs and big picture. I think our foreign aid effort is out of focus. I think it has been out of focus for some time. Foreign aid, the condition of it, I think, is inevitable given that its guiding Foreign Assistance Act of 1961 has 33 major objectives, 75 priorities, 247 directives. That is

according to CRS, the Congressional Research Service, and according to CRS no prioritization in all of that. So I believe that counterproliferation and terrorism efforts should be very high priorities, probably the highest priority.

Terrorists with WMD is about as grave a threat as there is to this republic. I know other members are going to have other priorities, different priorities, and I guess that is why we are stuck with 355 goals. I understand that the full committee chairman is interested in reforming FAA and starting from scratch.

Establishing a focus needless to say will be tough. This hearing is focused on leverage, how we leverage that aid. How do we best wield our limited resources in this way, and one question is whether you are willing to leverage a strong man with aid. You could avoid that dilemma by dealing only with democracies. But how many really democratic aid recipients are out there?

Our potential leverage is unlikely to increase because China and others ramp up their aid. A witness today later is going to speak about Russian efforts to bring a terrorist suspect, that is Victor Bout, who has created so much chaos across sub-Saharan Africa and much of the rest of the world, bring that terrorist suspect in Thailand through bribery back to Russia rather than to have Victor Bout face the consequences of his action. Well, that is the kind of leverage that the Russians will put into play on Thailand.

Using aid as leverage faces a number of challenges. By denying aid to countries whose governments oppose us on a particular policy, we give up influence. The justification, for example, for aid dollars into Pakistan is not that Pakistan has given us stellar cooperation on proliferation and terrorism, to the contrary, they have not, but denying us access to A.Q. Khan is strong noncooperation on the part of Pakistan. So the justification instead is that the aid will help transform Pakistan into a more cooperative country over time.

Now this may be wishful thinking. I suspect that we overestimate our ability to transform societies abroad. Our Government has a hard enough time dealing with economic and social ills here at home. The notion that if only we spent more money or adopted a different way of aiding we can put countries on a different track is at best a theory. We have spent $26 billion, for example, in aid to Afghanistan since the Taliban fell, never mind spending by other countries in Afghanistan, and yet somehow corruption is rampant and progress illusive.

Sometimes we are resented. We have spent billions in development aid in Pakistan, and anti-Americanism is rampant. Any aid reform should challenge our boilerplate assumptions about the countries we think we can create. The key to reducing terrorism and proliferation risks is better defending our country, our border, which frankly this administration has failed to do, which frankly the Democratic leadership and the Congress have failed to do, and certainly, you know, you cannot stop a Hezbollah agent like Mahmood Karimi on our border, and he manages to cross the border. Certainly when we failed to take the advice of the 9/11 Commission that border security has become national security after 9/11 that should be our foremost focus, I think we can expect that we are going to have some challenges in this area as well.

The root of the terrorism challenge we are facing, frankly, is poisonous ideologies, mainly radical Islam. It is not poverty. Failed states do provide terrorist havens but so too do developed countries. I am concerned by the growing influence of radical Islam in our hemisphere, especially Venezuela, and the tri-border region, and in Western Europe whose citizens enter this country visa free.

We are being challenged by ideas and unfortunately our public diplomacy efforts have underperformed, to say the least. A witness today will raise concerns about State Department judgment in this area.

Some programs aimed at checking terrorism and the proliferation of weapons of mass destruction are clearly worthwhile. Nunn-Lugar programs to corral nuclear material and technology have had success. I have pushed efforts to combat shoulder-fired missiles which imperil civil aviation, to corralling those weapons.

Now, some of these programs may have contributed to us not being hit by terrorists in the last 7 years, so some foreign aid programs are more important than others. I hope this hearing helps us better determine what works and what does not, while explaining where in the priority line counterproliferation and terrorism programs should stand.

And I thank you, Mr. Chairman, for holding this hearing, and I look forward to hearing from our witnesses.

Mr. SHERMAN. Thank you. Let me take a moment to welcome six members of the House of Representatives of the Republic of Indonesia. They are in Washington this week as guests of the House Democracy Assistance Commission for a seminar on committee operations, and they are observing congressional hearings as part of this program. In light of our common interest in achieving counterterrorism objectives, it is fitting that we welcome our Indonesian colleagues this morning. I know that IRI may be bringing parliamentarians from the Balkans or elsewhere as well, and when my staff tells me that such people are here, I will welcome them as here but right now I want to welcome our vice chair and recognize Mr. Scott.

Mr. SCOTT. Thank you, Mr. Chairman. This is indeed a very timely and extraordinarily important hearing. There is no higher priority for us than fighting terrorism, being successful in winning the war on terror, and perhaps the most effective tool that we have is leveraging our foreign aid to achieve these goals.

We are all aware of the importance of a multi-faceted national security and foreign policy. We are often told that these consist of a combined approach of what I call the three Ds—defense, diplomacy and development. But we are here today to discuss how these three elements have been intertwined, particularly in recent years, as well as possibilities for the future. As a result, there are a series of important questions that certainly need to be examined today.

For example, should development aid be given with defense-related caveats? Can we ensure that this aid is distributed according to our own very important national interest? And how do we determine its effectiveness? And then most importantly, when do we stop if we do stop?

I hope that these and many other questions will be addressed today. We must delineate a unified policy and concrete objectives

if we are to be successful. We cannot allow continued problems of uncoordinated United States agencies and confusion over responsibility and outcome to restrain our efforts to bolster both national and international security.

It is in the interest of creating a more peaceful interconnected and cooperative world that we come together today, and our foreign assistance policy must reflect these goals, and then all of this is extraordinarily important, but I think the genesis of our discussion today ought to really closely examine what I refer to as the poster child of this whole subject matter, of the effectiveness of using foreign aid to deter terrorism, and that poster child is Pakistan. That is the epicenter for this debate and this discussion this morning.

We are pumping into Pakistan just from the military support area on an average of $80 million every month since 9/11. That is extraordinary. And yet we do not have an accurate or reliable accounting of how that money is spent. There is misinterpretation of the effectiveness. Just in Business School 101 there is a need to make sure that you have a benefit analysis, a cost benefit analysis, an analysis that is done to determine where this money is going, how it is going, who is accountable, and are we reaching our goals.

One of the problems that I think we have got in not having the proper accounting for this money that is going into this area has been our failed policy of wrapping this around a dependency on a failed regime in Musharraf, and I would like to know, I think a fundamental point of discussion is to what extent has our dependency on Musharraf as our main ally impacted this lack of accounting of the monies that have been gone. So I think that a good move would be to examine really what is going on in Pakistan.

Some other questions we need to certainly examine, for example, how do we ensure that aid given for counterterrorism and nonproliferation purposes is not being used against us, against our national interests? What extent, if any, our security assistance programs or particular counterterrorist program is planned in conjunction with long-term Department of State and USAID state building programs?

In the past decade, the number of so-called failing states across the world has more than doubled from only 11 in 1996 to 26 in 2006. The fundamental question then must be what strategies is the United States undertaking to halt and reverse the growth in the number of failing states.

So, Mr. Chairman, I think that these are some important questions. This is a very, very timely issue, and I am looking forward to both panels' discussions on this important matter. Thank you for giving me time.

Mr. SHERMAN. Thank you. Are there further opening statements? Yes, Mr. Poe.

Mr. POE. Thank you, Mr. Chairman, for calling this hearing. I want to thank the witnesses that will appear.

The topic of foreign aid reform is one of particular importance to me specifically as it relates to the fight against worldwide terrorism. It seems to me though that the system needs to be reformed tremendously. For one thing, I think that the members of the Foreign Affairs Committee, and especially the House of Representatives, should be able to vote for or against funding each in-

dividual country that desires foreign aid rather than putting all the countries into one massive foreign aid package, and giving it an up or down vote for all countries. It would seem more logical and fair to make each country stand on its own and we should debate the issue for each particular country.

We have countries that we give aid to that particularly do not like us. They hate us. They vote against us in the U.N., but year after year Uncle Sam still pulls out the checkbook and writes money and gives to these countries because they are in the massive foreign aid bill. That ought not to be.

One particular concern is the agreement that President Carter worked out with the Egyptians and the Israelis in 1978. That 30-year-old agreement, in my opinion, needs to be looked at very clearly because it allows for equal military assistance to both nations, and since that agreement the United States has given Egypt $63 billion in military aid. I am one who happens to believe that each country should stand on its own and Egypt should not get money just because the Israelis get money. I do not know that that is in the best interest of the United States, and it is time now 30 years later to review that policy and to see if that is actually what we should do to secure our national interest. The world has changed in 30 years, and maybe that money could be used better elsewhere than automatically giving it to Egypt because they are in that agreement.

Those are two of the major concerns that I have, Mr. Chairman, and I look forward to hearing from the witnesses in addressing those specific items, and I yield back.

Mr. SHERMAN. Thank you.

It is now time to hear from our witnesses. Let me introduce the first panel. It is my pleasure to introduce The Honorable Dell Dailey. Ambassador Dailey is the Department of State's Coordinator for Counterterrorism. He is charged with coordinating and supporting the development and implementation of United States Government policies and programs aimed at countering terrorism overseas.

Prior to joining the State Department, Ambassador Dailey served 36 years on active duty with the United States Army.

Our next witness is Patricia McNerney, Principal Deputy Assistant Secretary of State at the Bureau of International Security and Nonproliferation. Ms. McNerney's principal responsibilities involve diplomatic efforts to address the key proliferation activities of terrorists and states of concerns.

Previously she served as Senior Advisor to the Undersecretary of State for Arms Control, International Security.

And with that let us turn to Ambassador Dailey.

STATEMENT OF THE HONORABLE DELL L. DAILEY, AMBASSADOR-AT-LARGE, COORDINATOR FOR COUNTERTERRORISM, U.S. DEPARTMENT OF STATE

Ambassador DAILEY. Thank you, Chairman Sherman, Ranking Member Royce, members of the committee. It is a pleasure to appear today before you to discuss how the U.S. Government can better leverage foreign assistance to counterterrorism. My colleague, Principal Deputy Assistant Secretary for International Security

and Nonproliferation, Patricia McNerney, will address the same issue from a proliferation perspective.

I will summarize my formal written statement and ask that you include my full testimony in the record.

Mr. SHERMAN. So ordered.

Ambassador DAILEY. Since September 11, 2001, we have employed all elements of national power, including military force, to confront threats posed by terrorism. International community has captured or killed numerous senior operatives in al-Qaeda and its network. It has thus degraded ability of terrorists to plan and mount attacks. But I would like to make one thing clear. Capture and kill efforts, while are essential, are just one part of a much broader U.S. and global endeavor focused on accomplishing our long-term goals of countering terrorism.

Effectiveness: The Office of the Coordinator for Counterterrorism has oversight for four U.S. foreign assistance programs that are funded through the nonproliferation, antiterrorism, de-mining and related programs NADER account. The four programs are Antiterrorism Assistance, Counterterrorism Finance, Terrorist Interdiction Program, Person Identification, Secure Comparison and Evaluation System, and the Counterterrorism Engagement Program.

We are pleased with these programs and believe they are effective. However, there is always room for improvement. Since 2006, we have used the Regional Strategic Initiative to make our assistance more targeted, efficient, and effective. The RSI, Regional Strategic Initiative, allows us to further prioritize which countries and regions receive that assistance. We have been working with our ambassadors and interagency representatives in eight RSI terrorist theaters of operations. Collectively we have assessed the threat, pool resources, and devise collaborative strategies.

Planning and coordination: The RSI allows us to develop flexible regional networks so we can go better planning and coordinate in order to counter terrorism. It does not respect borders, takes advantage of porous borders, and exploits the lack of cooperation and coordination between neighboring countries.

The RSI teams use all tools of statecraft in what is becoming increasingly a holistic effort to assess the threat and devise collective strategies, action plans, and policy recommendations. In technical assistant subgroup meetings we ensure proper follow-through on requests for assistance that is received through the RSI meeting with our ambassadors and interagency representatives.

The RSI strengthen our regional and transnational partnerships. If foreign governments have the political will but do not have the capability, we coordinate resources across the interagency. Because of our collective efforts, our foreign partners have successfully identified and interdicted terrorist groups. They have passed legislation to criminalize acts of terrorism and terrorist financing that meet international standards, and thus improve their ability to enforce those laws and prosecute those who violate them.

By building our partners' law enforcement capacity and by using assistance monies to promote economic development, good governance, education, liberal institutions, and democracy, we are working toward discrediting the terrorist ideology.

Conditionality: Currently U.S. counterterrorism foreign assistance is conditions on a country's cooperation with the U.S. counterterrorism policy. If upon review programs appear to be ineffective, the Department of State evaluates whether to cease funding or will make modifications to additional programs or redirect funds to more effective and more efficient uses.

And lastly, the U.S. Government provides foreign assistance so other nations can build their capacity to combat terrorism in their territory. In that way the U.S. is helping other nations to fight terrorism so that the United States does not have to fight terrorism on its soil. While other nations might not achieve all the results as quickly or as extensive as the United States would prefer, overall we are making progress in combating terrorism.

Leveraging assistance: The Office of the Coordinator for Counterterrorism works closely with the Office of the Director of U.S. Foreign Assistance to establish priorities for counterterrorism assistance. Together we work with the U.S. Embassies to pinpoint areas of greatest counterterrorism concern and opportunities to target our programs and assistance accordingly.

The RSI process helps leverage U.S. foreign assistance by broadening the focus and impact of programs from bilateral to multilateral. The end result is a well defined and informed collaborative approach for furthering U.S. international counterterrorism objectives and policies.

While we do use existing authorities and appropriations, they often carry restrictions that limit our counterterrorism reach. Ideally, we would have more flexibility to fund building law enforcement capacity to fight terrorism, provide for economic assistance programs and target specifically the conditions that terrorists exploit, foster regional cooperation, counter radicalization, and enhance U.S. strategic communications and public diplomacy.

Vetting and screening recipients: Department of State vets and screens recipients of foreign assistance through various mechanisms, including Leahy human rights vetting, anti-terrorism assistance program, assessment, review and evaluation, and the risk-based assessment. The department balances foreign policy priorities with the risk that programs might inadvertently benefit terrorists or their supporters. The risk-based assessment is managed by the Bureau of Economic, Energy and Business, but the responsibility rests with our assistant secretaries, evaluates risks by following procedural guidelines which do include a vetting against the Department of Treasury's Office of Foreign Assets Control, OFAC, lists and where warranted other such lists as the Terrorism Exclusion List.

Thank you for this opportunity to discuss our antiterrorism assistance programs to you today. I am happy to answer your questions and I will be followed by Ms. McNerney.

[The prepared statement of Ambassador Dailey follows:]

PREPARED STATEMENT OF THE HONORABLE DELL L. DAILEY, AMBASSADOR-AT-LARGE, COORDINATOR FOR COUNTERTERRORISM, U.S. DEPARTMENT OF STATE

Chairman Sherman, Ranking Member Royce, members of the Committee: It is a pleasure to appear before you today to discuss how the USG can better leverage foreign assistance to counter terrorism (CT). My colleague, Principal Deputy Assistant Secretary for International Security and Nonproliferation, Patricia McNerney, will

address the same issue vis a vis proliferation. I will summarize my formal written statement and ask that you include my full testimony in the record.

Since September 11, 2001 we have had several years of kinetic, short-term activity. The international community has captured or killed numerous senior operatives in al-Qaida and its network, and has thus degraded the ability of terrorists to plan and mount attacks. But let me make one thing clear: short term capture and kill efforts only buy us time to accomplish our long term goals.

The Office of the Coordinator for Counterterrorism (S/CT) has oversight for four U.S. foreign assistance programs that are funded through the "Nonproliferation, Anti-Terrorism, Demining, and Related Programs" (NADR) account: The Antiterrorism Assistance Program (ATA), Counterterrorism Finance (CTF), Terrorist Interdiction Program/Personal Identification, Secure Comparison and Evaluation System (TIP/PISCES), and the Counterterrorism Engagement (CTE) program.

Our CT programs include:

The Counterterrorism Finance (CTF) Training and Assistance Program

CTF Training and Assistance is a small, but highly effective program that funds "follow the money" training for priority countries all over the world. Our programs include legislative and prosecutorial development assistance, financial investigative training, financial intelligence unit development, counterterrorism finance regulatory training and assistance in creating systems for the interdiction of illicit cash couriers. Our training is done by USG experts from eight different agencies, who work in tandem with their counterparts in other countries.

Prosecutions of terrorist financiers in Latin America, interdiction of illicit cash shipments in Southeast Asia, and on-going investigations and successful prosecutions of trade-based money laundering are evidence of the effectiveness of the Program. For example, each and every member of the European Union's (EU) 27 countries has a Financial Intelligence Unit (FIU), is a member of both the Financial Action Task Force (FATF) or a FATF-recognized regional affiliate, and the Egmont Group. We are continually working with the EU to further improve procedures for information sharing and for proactively implementing FATF Special Recommendations, such as enforcing cash declaration regulations for travelers. We are also working with private sector financial institutions to improve implementation of asset freeze measures.

The Antiterrorism Assistance (ATA) Program

The Antiterrorism Assistance program is about to celebrate its 25th anniversary—Congress first authorized the program on November 13, 1983 (with the passage of Chapter 8, Part II of the Foreign Assistance Act of 1961). For 25 years, ATA has trained more than 5,850 students from 151 countries, providing advanced counterterrorism training and equipment grants tailored to the needs of each partner nation and to local conditions. ATA improves the performance of partner nations to prevent future attacks and manage their consequences. In 2007, ATA sponsored 266 training activities and technical consultations and trained over 4,500 participants from 64 countries.

We recently redesigned the tier list used to prioritize countries that should receive ATA support. We developed the list by using our Regional Security Officers' response to fifteen questions in three specific categories: in-country threat, U.S. interests, and foreign partner capacity. While a priority list is necessary, flexibility is crucial to responding to actual needs and opportunities on the ground. We will ensure that we can re-direct funding for ATA to respond to Congressional and national security concerns, as well as to address urgent situations in the field. To assist us in matching priorities with opportunities, we are in the process of filling a new position for a Strategic Planner, one of whose responsibilities will be to participate in the assessment teams.

The RSI will further prioritize which countries and regions receive ATA funding. During meetings with our Ambassadors and interagency representatives in each of the eight RSI groupings, S/CT receives requests for delivery of ATA as part of the effort to pool resources and devise collaborative strategies and policy recommendations. This will enable us to address the particular terrorism threat in each region. S/CT and the Office of Antiterrorism Assistance participate in the subsequent Technical Assistance Sub-Group meetings to ensure proper follow-through.

During the past year, the Office of Antiterrorism Assistance appointed a Coordinator for Professional Capacity Development. This officer is developing a methodology to quantify levels of achievement by foreign governments in the area of fighting terrorism that can be applied internationally and against the varying capacities of each country. In order to strengthen the relationship between the initial Needs Assessment that serves as the basis for starting assistance, and the metrics being

developed to assess "sustainability", the Office of Antiterrorism Assistance recently realigned this position within the Assessment, Review, and Evaluation Unit. This move will help ensure that the objective capability ratings obtained during an initial country assessment are linked to each successive country report.

This Coordinator will track the progress of individual countries according to the 25 established "Critical Capabilities" parameters of the Needs Assessment process. Examples include:

- Preventive capabilities (land, airspace, and maritime border security, for example);
- Response capabilities (such as National Level Major Incident Command and Control, Police Special Operations (CRT), and Explosives Incident Countermeasures);
- Post-Incident Capabilities (Police Investigative Capability; post-blast investigations, financial investigations, and crime scene and evidence management, for example.);
- Cyber Security Capabilities; and
- Professional Development Capability.

In this manner, the needs assessment process helps establish reasoned, de facto objectives for evaluation and potential assistance. This is preferable to attempting to address all of the partner nation's CT vulnerabilities in a vacuum. Except where the Office of Antiterrorism Assistance is redirected by S/CT and/or Congress due to changing policy priorities, it will use the needs assessments and subsequent program reviews to further tailor training for individual countries and regions. ATA's established procedure of converting the findings of the partner nations' Needs Assessment into a Country Assistance Plan, complete with course curriculum suggested to rectify identified deficiencies, will ensure that the ATA program's objectives are clearly defined.

The Terrorist Interdiction Program (TIP/PISCES)

Thanks to TIP/PISCES, hundreds of individuals traveling on stolen passports in Pakistan, as well as wanted criminals, narcotics smugglers, and human traffickers, have been identified and intercepted worldwide. The TIP complements other CT-related U.S. efforts to enhance aviation, border, cyber, maritime, and transportation security. TIP/PISCES constrains terrorist mobility and enhances international cooperation by providing partners with a computerized terrorist screening system known as PISCES (personal identification secure comparison and evaluation system). TIP provides participating countries with a computerized watch listing system to identify suspect travelers at air, land, or sea ports of entry. TIP further promotes expanded cooperation and close liaison with host governments in the areas of rule of law, anticorruption, and law enforcement. Since 2001, the Department of State has provided TIP assistance to more than 20 countries, assistance that was instrumental in impeding terrorist travel. High-priority countries participating in the program include Iraq, Pakistan, Afghanistan, Yemen, and Kenya.

The Counterterrorism Engagement (CTE) program

CTE funds are used specifically to support relatively low-cost, high-impact CT-related projects that have been identified as part of the RSI. CTE funds build capacity to fight terrorism, both military and law enforcement; foster regional cooperation; counter radicalization; and enhance U.S. strategic communications and public diplomacy. However, CTE funds remain very limited.

Other Programs

Another vital component of our efforts to address the conditions that terrorists exploit for recruitment and ideological purposes are USG assistance programs administered through USAID, the Middle East Partnership Initiative (MEPI), and the Millennium Challenge Corporation, which increase access to education, improves health care, and focus on democratic and economic reform.

EFFECTIVENESS

S/CT is proud of the ATA, CTF, TIP/PISCES, and CTE programs and believe they are effective. However, there is always room for improvement. By allowing us to further prioritize which countries and regions receive assistance, the RSI is the engine that will allow us to use our assistance in a more targeted, efficient manner. We are working with our Ambassadors and interagency representatives in eight terrorist theaters of operation to collectively assess the threat, pool resources, and devise collaborative strategies.

PLANNING AND COORDINATION

Since 2006, the U.S. has been working on the RSI in an effort to develop flexible regional networks. The RSI is a shift in strategic thinking on countering terrorism. Terrorists do not respect borders. In fact, they operate most effectively when borders are porous and cooperation between neighboring countries is poorly coordinated.

U.S. Ambassadors, as the President's personal representatives abroad, have a unique ability to target all elements of national power to bear against the terrorist enemy. The RSI enables Ambassadors and the Country Teams they lead to coordinate CT strategies to help host nations understand and address the threat, and to strengthen their political will and capacity to counter it. Because terrorist groups often exploit porous borders and/or the ungoverned or undergoverned areas between countries, bilateral responses are themselves insufficient.

Through the RSI, Ambassadors in a terrorist theater of operation host interagency policymakers and representatives of the combatant commands to assess the threats and devise strategies, actionable initiatives, and policy recommendations to address them. Integrating the RSI with the President's National Implementation Plan (NIP) for the war on terror, S/CT then works through the NSC's Counterterrorism Security Group to identify the interagency programs and resources to carry out the strategic objectives. The RSI thus provides Ambassadors with a coordinated mechanism to target terrorist threats that one team, or one country alone, cannot fully combat. Because RSIs coordinate the array of capabilities of USG agencies in a region, U.S. counterterrorism policy objectives can be advanced more timely, more directly, and more efficiently.

We are working with our Ambassadors and interagency representatives in key terrorist areas of operation to assess the threat and to devise collaborative strategies, action plans, and policy recommendations. The RSI teams use all tools of statecraft in what has become an increasingly, holistic effort.

We are working through the RSI in eight theatres of operation to strengthen our regional and transnational partnerships. If foreign governments have the political will but do not have the capability, we coordinate resources across the interagency. Because of our collective efforts, our foreign partners have successfully identified and interdicted terrorist groups. They have passed legislation to criminalize acts of terrorism and terrorist financing that meet international standards, and thus improved their ability to enforce these laws and prosecute those who violate them. By building our partner's law enforcement capacity, and by using assistance monies to promote economic development, good governance, education, liberal institutions, and democracy, we are working to discredit terrorist ideology.

As part of the effort to more effectively address the particular terrorism threat in each region, we receive requests for the various programs at meetings with our Ambassadors and interagency representatives in each of the eight RSIs. We then participate in subsequent Technical Assistance Sub-Group meetings to ensure proper follow-through.

A successful strategy to defeat terrorists must be structured at multiple levels: a global campaign to counter violent extremism and disrupt terrorist networks; a series of regional collaborative efforts to deny terrorists physical, ideological, and virtual safe haven; and numerous bilateral security and development assistance programs designed to build liberal institutions, enhance our partners' capacity, and address conditions that terrorists exploit. We work with or through partners at every level to provide security, law enforcement, and development assistance where possible in support of this strategy.

CONDITIONALITY

Currently, U.S. counterterrorism foreign assistance is conditioned on a country's cooperation with U.S. counterterrorism policy. If upon review, funded programs appear to be ineffective, the Department of State evaluates whether to cease funding, make modifications to existing programs, or redirect funds to more effective and efficient uses. Nonetheless, the U.S. Government provides foreign assistance so that other nations can build capacity to combat terrorism on their territory. In this way, the U.S. is helping other nations fight terrorism so that the U.S. does not have to fight this terrorism on U.S. soil. While other nations might not achieve all of the results as quickly and extensively as the U.S. would prefer, overall, they are making progress in combating terrorism.

LEVERAGING ASSISTANCE

S/CT works closely with the Office of the Director of U.S. Foreign Assistance to establish priorities for counterterrorism assistance. Together we work with U.S. Em-

bassies to pinpoint areas of greatest counterterrorism concern and opportunities to target our programs and assistance resources accordingly. The RSI process helps leverage U.S. foreign assistance by broadening the focus and impact of programs from the bilateral to the multilateral. The end result is a well-defined and informed collaborative approach for furthering U.S. international counterterrorism objectives and policies.

VETTING AND SCREENING OF RECIPIENTS

The Department of State vets and screens recipients of foreign assistance through various mechanisms including the Leahy human rights vetting; the Antiterrorism Assistance program's Assessment, Review, and Evaluation; and the Risk Based Assessment. The Department balances foreign policy priorities with the risk that programs might inadvertently benefit terrorists or their supporters. The Risk Based Assessment, managed by the Bureau of Economic, Energy, and Business, but the responsibility of individual Assistant Secretaries and Administrators, evaluates risk by following procedural guidelines which include vetting against the Department of the Treasury's Office of Foreign Assets Control (OFAC) Specially Designated Nationals (SDN) list and where warranted other lists such as the Terrorism Exclusion List (TEL).

Thank you once again for this opportunity to discuss our antiterrorism assistance programs with you today. I am happy to answer your questions.

STATEMENT OF MS. PATRICIA MCNERNEY, PRINCIPAL DEPUTY ASSISTANT SECRETARY, BUREAU OF INTERNATIONAL SECURITY AND NONPROLIFERATION, U.S. DEPARTMENT OF STATE

Ms. MCNERNEY. Chairman Sherman, Ranking Member Royce, members of the subcommittee, I appreciate the opportunity to discuss today the role of foreign assistance in helping the United States prevent and counter proliferation of weapons of mass destruction, related materials, and delivery systems.

As the President and Secretary Rice have repeatedly emphasized, WMD proliferation, including the danger that terrorists may acquire these dangerous weapons, represents the most severe threat to national and global security. The assistance that we provide to combat these threats is part of a larger foreign assistance effort. While specific programmatic decisions are made on a case-by-case basis, and take into account our strategic objectives and priorities, our WMD programs are rooted in broad counterproliferation objectives set out in the national strategy to combat weapons of mass destruction.

Key nonproliferation threats involving Iran, North Korea, Syria, and terrorist acquisition of WMD can only be addressed through international engagement and enhanced partnerships. It is essential that we use these programs to strengthen the capabilities of our partners to address these key nonproliferation challenges.

For example, our programs are a means to ensure that we have partners across the globe that have the tools necessary to block networks like that lead by A.Q. Khan, prevent shipments of sensitive materials to Iran's nuclear ballistic missile programs, or detect transfers of fissile material.

Our assistant partner countries often are those with problematic track records of controlling sensitive items, which is precisely why we need to engage them and use our programs to enhance their understanding of the proliferation threat, the techniques used by proliferators and the tools required to combat them.

The largest nonproliferation program we manage is the Global Threat Reduction Account. The programs funded by this account

focus on worldwide efforts to enhance the security of biological, chemical, and nuclear materials and provide peaceful employment for former WMD personnel. A good example of how we have leveraged this assistance is the successful partnership the President built with partners at the 2003 G–8 summit in Kananaskis, Canada, when the G–8 leaders committed $20 billion over 10 years, $10 billion from the United States, to reduce and prevent the proliferation of former Soviet weapons of mass destruction, related materials, equipment and expertise. The global partnership has since grown to include 14 donors in addition to the G–8 nations.

G–8 leaders agreed at the most recent Hokkaido Summit in Japan earlier this month to expand the global partnership to address worldwide proliferation threats. The United States already allocates over $350 million each year to threat reduction projects outside the former Soviet states, including efforts to prevent terrorist and proliferant states from accessing materials, expertise, technologies, and technologies needed to develop nuclear or radiological weapons capabilities. We are now encouraging other global partnership donors to follow suit, giving new partners to aid in this critical effort.

The Nonproliferation and Disarmament Fund is another key program that allows us to respond rapidly to high priority requirements and opportunities that are unanticipated or unusually difficult. NDF funding is critical to the ongoing disablement of the three core nuclear facilities at North Korea's Yongbyon conflicts. If it was not for the NDF program the reactor cooling tower at Yongbyon would still be standing and no other North Korean nuclear program disablement actions likely would have taken place.

The fund that we manage is essential to ensuring the international nuclear programs are appropriately safeguarded. As access to nuclear energy increases internationally, these IEEA funds are essential to ensuring that countries seeking the benefits of nuclear energy do so in a safe, secure and proliferation-resistant way.

The export control and related border security program focuses directly on strengthening international partner counterproliferation tools. EXBS reaches more than 50 countries in order to strengthen their detection and interdiction tools and help them meet the highest international export control standards.

Closely related is a new program dealing with preventing nuclear smuggling. That addresses capability gaps in countries that are a particular risk for nuclear smuggling by seeking to enhance the partners' procedural response to these smuggling incidents.

The EXBS program has helped us enhance the broad partnership to combat WMD that we have built through the proliferation security initiative. This agile framework to impede and stop shipments of WMD delivery systems and related material now includes more than 90 nations around the world, some of which have significant work remaining in developing their laws and capabilities. Developing these tools among PSI partners is essential to ensuring that we can build on the dozens of successful interdictions of sensitive materials for WMD and ballistic missiles in route to countries like Iran and Syria.

The State Department also leads one of the most promising multilateral efforts to combat nuclear terrorism. The Global Initiative

to Combat Nuclear Terrorism, which now includes 75 partner nations. The experts in these nations participate in activities and exercises to build programs for the likelihood of successful WMD detection and interdiction when such materials are transferred, and ensuring that states have the capabilities to execute an effective response to WMD incidents.

I thank you and I look forward to your questions.

[The prepared statement of Ms. McNerney follows:]

PREPARED STATEMENT OF MS. PATRICIA MCNERNEY, PRINCIPAL DEPUTY ASSISTANT SECRETARY, BUREAU OF INTERNATIONAL SECURITY AND NONPROLIFERATION, U.S. DEPARTMENT OF STATE

Chairman Sherman, Ranking Member Royce, Members of the Subcommittee, I appreciate the opportunity to discuss with you today foreign aid and the fight against terrorism and proliferation.

THE THREAT

As the President and Secretary Rice have repeatedly emphasized, the proliferation of WMD, including the danger that terrorists may succeed in their effort to acquire these devastating weapons, represents the most severe threat to national and global security.

Irresponsible states and non-state actors are pursuing the materials and capabilities for WMD. North Korea conducted a nuclear test on October 9, 2006; launched long-range ballistic missiles on July 5, 2006; and engaged in the proliferation of ballistic missiles and nuclear capabilities to other states. Iran continues to support terrorist groups, engages in sensitive nuclear activities in defiance of United Nations Security Council resolutions, and aggressively develops ever-more-capable ballistic missiles. Syria also sponsors terrorism and made significant progress, with North Korean assistance, in covertly constructing a reactor that appeared to be well-suited to producing weapon-grade plutonium. Syria undertook these activities without notifying the International Atomic Energy Agency and, if they were intended to support a nuclear weapon development effort, would have been in violation of Syria's commitments under the Nuclear Nonproliferation Treaty. As these governments pursue WMD and missile-delivery systems, other states in their regions may be tempted to pursue their own weapons programs in self-defense.

Though the threat from state proliferation is severe, the threat from non-state actors is equally daunting. Despite shutting down the A.Q. Khan network and strengthening international tools against non-state proliferators, many continue to engage in their deadly trade wherever and whenever they can through both illicit activities and manipulation of the legitimate worldwide economic and financial system. Terrorist groups continue to seek WMD, including nuclear weapons. That threat would only be compounded if leading state supporters of terrorism like Iran or Syria succeed in their own proliferation efforts.

ASSISTANCE PROGRAMS

Foreign assistance is one of a number of tools available to us to advance our national interests. In general, our decisions on whether to provide foreign assistance to a specific country, or to condition assistance, are made on a case-by-case basis and take into account the specific country circumstance and our strategic objectives and priorities. We would be opposed to a general policy of conditioning foreign assistance on cooperation with nuclear proliferation efforts because, as a wholesale approach, it does not take into consideration the national security considerations that are presented with each unique case. In one case nonproliferation cooperation may be the paramount national security concern; whereas in another case the interest of to U.S. security may be best served by moving forward with a security assistance package. We need the flexibility to weigh each case individually, taking into account short and long-term interests, without being hamstrung by one-size-fits-all formulas.

We also make every reasonable effort to guard against the risk that foreign aid could inadvertently benefit those whom we mean to counter or marginalize. This includes, when possible, establishing safeguards against misuse of foreign aid. Earlier this year, the Deputy Secretary of State approved a risk-based approach to evaluate possible terrorist financing, which would formalize more established procedures, remind organizations of their responsibility to evaluate all foreign aid cases, and ensure that a framework is established for proper evaluation of all department pro-

grams. The Deputy Secretary's guidance acknowledges the importance of avoiding a "one size fits all" approach. The guidance instead lays out key factors that all Assistant Secretaries and their organizations should review to evaluate the risk that assistance could unintentionally benefit terrorists.

In addition to this risk-based assessment, foreign assistance programs are evaluated to consider how the use of such foreign assistance advances overall U.S. foreign policy. The goal is to ensure that there is good awareness of risks and provide assistance only when the benefits outweigh risks.

As part of larger Department foreign assistance efforts, nonproliferation assistance plays a critical role in helping the United States and our allies counter the proliferation threat from irresponsible states and terrorists. Some programs eliminate, reduce and prevent the proliferation of weapons, related materials, and expertise. Others build partner nations' tools to combat proliferation, reduce incentives for proliferation, and better prepare partners to mitigate losses in the event of an attack. Department of State nonproliferation assistance programs are relatively small compared to those of the Departments of Defense and Energy. The Department plays, however, a central role in all three areas through our leadership, diplomacy, and direct assistance activity that is so often critical to gaining the international cooperation that we desire.

REDUCING, AND PREVENTING PROLIFERATION OF WMD, MATERIALS AND EXPERTISE

At the end of the Cold War, the Soviet WMD legacy appeared to present the greatest proliferation threat. Through the U.S. programs initially sponsored by Senators Sam Nunn and Richard Lugar, and subsequently through partners' efforts under the G–8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction, the United States, Russia, and others have had major achievements in reducing and preventing the proliferation of former Soviet WMDs, delivery systems, related materials, and expertise. That work is not yet finished and remains essential. We must, however, focus increasingly on meeting global proliferation activity.

Several Department of State assistance programs contribute importantly to this overall effort. Through the Nonproliferation and Disarmament Fund (NDF), the U.S. Government can respond rapidly to proliferation concerns. A key example was the removal in 2004 of Libya's WMD components and infrastructure just a few short months after Libya's historic decision to abandon its WMD and longer-range missile programs. NDF funding has also been critical to the disablement of the three core nuclear facilities at North Korea's Yongbyon complex. In both cases, NDF's unique authority to provide assistance "notwithstanding any other provision of law" allowed the U.S. Government to implement nonproliferation priorities in countries where our laws prohibited other assistance efforts. If it were not for the NDF program, the reactor cooling tower at Yongbyon would still be standing, and no other North Korean nuclear program disablement actions likely would have occurred so quickly. The Administration sought and received from the Congress a waiver of the Glenn Amendment, allowing the Department of Energy to contribute funds to the denuclearization effort in North Korea. This will both permit a substantially increased denuclearization assistance effort in North Korea and also free more NDF resources to meet other requirements worldwide.

The Department of State's Global Threat Reduction programs focus on worldwide efforts to enhance biological security, promote chemical and nuclear security, and provide peaceful employment for former WMD experts. Work to secure dangerous pathogens and develop best security practices for biological scientists is also being done in Pakistan, Southeast Asia, the Middle East, and the former Soviet states; and is beginning in Africa and South America. Activities are expanding in South and Southeast Asia and the Middle East to help chemical scientists, technicians and engineers improve chemical security. Through the Science Centers Program, we continue to engage and redirect former WMD personnel in the former Soviet Union. We focus increasingly on transforming the Science Centers into partnerships to improve collaborative nonproliferation efforts, transparency and sustainability. Building on our Science Center experience, the Department of State also pursues programs to redirect Libyan and Iraqi former WMD experts toward sustainable, productive, and peaceful employment.

These Department of State programs complement other U.S. Government assistance efforts, especially those of the Departments of Defense and Energy. Thus, NDF often kick starts nonproliferation work that is later expanded and completed by other agencies. Global Threat Reduction redirection efforts and global biological and chemical security efforts complement Department of Defense and Energy programs to reduce and secure weapons and materials.

The Department of State also leads U.S. participation in the G–8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction. In creating the Global Partnership at their 2002 Summit in Kananaskis, the G–8 Leaders committed $20 billion over 10 years ($10 billion from the United States) to reduce and prevent the proliferation of former Soviet weapons of mass destruction, related materials, equipment and expertise. The Global Partnership has since grown to include 14 donors in addition to the G–8. Even more important, G–8 leaders agreed at the Hokkaido Summit earlier this month to expand the Global Partnership to address worldwide proliferation threats. The United States already allocates over $350 million each year to threat reduction projects outside the former Soviet states, including efforts to prevent terrorists and proliferant states from accessing materials, expertise, and technologies needed to develop nuclear or radiological weapons capabilities. We are now encouraging other Global Partnership donors to follow suit and giving new partners to aid in this critical effort.

BUILDING CAPACITY TO PREVENT AND COUNTER PROLIFERATION

In addition to reducing and preventing the proliferation of weapons of mass destruction, related material, and expertise, several of the efforts discussed above—for example, the G–8 Global Partnership and the Department of State's Global Threat Reduction programs—also help build partners' long-term capacity to counter proliferation.

Additional State Department assistance programs focus even more directly on strengthening counterproliferation. The Export Control and Related Border Security Program (EXBS) works closely with other U.S. Government agencies, academia, and private industry to provide training and equipment to strengthen export control. The EXBS operates in more than 50 countries. A major focus of EXBS is assisting countries in fulfilling their export control obligations under United Nations Security Council Resolution 1540. EXBS helps countries to adopt export control laws, regulations, and control lists, as well as licensing and enforcement best practices that meet international standards, including those of the multilateral control regimes (such as the Nuclear Suppliers Group, Australia Group, Missile Technology Control Regime and Wassenaar Arrangement). Further, a significant portion of EXBS assistance supports delivery of detection and interdiction equipment and related training.

Complementing EXBS efforts to build international tools to combat nuclear smuggling is the Preventing Nuclear Smuggling Program (PNSP), which includes the Nuclear Smuggling Outreach Initiative. Under the Initiative, the United States and partner governments develop joint action plans to address capability gaps, determine assistance projects, and reach out to potential U.S. and foreign donors to fund critical projects. The second element is the PNSP Response activity, which increases partners' tools to respond to nuclear and radioactive smuggling incidents by supporting partner efforts to produce national response operating procedures. PNSP Response also strengthens international nuclear forensics cooperation through improving partner nation nuclear material libraries, points of contact, and procedures for sharing forensics information on crimes involving nuclear or radiological material.

The Department of State also leads implementation of the most promising multilateral efforts to combat WMD terrorism, the Global Initiative to Combat Nuclear Terrorism. Launched jointly by the President and Russian President Vladimir Putin in July 2006, the Global Initiative now includes 75 partner nations, spanning all geographical regions. This year alone, we have made significant inroads within the Middle East as Bahrain, Jordan, Saudi Arabia and the United Arab Emirates all joined as partners. It is also noteworthy that India recently joined the GI as well, giving us the opportunity to improve cooperation with both India and Pakistan as partner nations.

The Global Initiative is an action-oriented, flexible partnership that leverages partner nations' collective capabilities to counter nuclear terrorism—including through deterrence, denial, detection, material confiscation, and response. To that end, the Global Initiative Statement of Principles outlines eight key goals: improve accountability and physical protection of nuclear systems; enhance security of civilian nuclear facilities; improve the ability to detect nuclear material; improve capabilities to search and confiscate unlawfully held nuclear material; deny safe haven and economic resources to terrorists; implement criminal liability for terrorists; improve response and mitigation in the event of a terrorist attack; and promote information sharing to suppress acts of nuclear terrorism. In pursuit of those goals, partner nations host seminars, workshops, information sharing activities, exercises and other activities to build individual and joint capacity to combat nuclear terrorism.

Approximately one Global Initiative activity occurs per month around the world hosted by different partner nations.

The Global Initiative was created without a specific line item in the Administration budget. The Department of State has the support of other agencies for many of its activities. To help ensure long-term success for the effort, the Administration has requested $5 million in State Department Nonproliferation, Antiterrorism, Demining and Related Projects (NADR) funding for FY2009 to establish a new "Combating WMD Terrorism Program." This new account will further Global Initiative goals and provide limited assistance to other combating WMD terrorism priorities. Funding assistance to these areas will immediately complement the work of other U.S. assistance efforts and help to facilitate greater contributions by our partners.

Another important component in the global fight against nuclear terrorism is the Global Nuclear Detection Architecture (GNDA), designed to be a multi-layered, international system offering multiple opportunities for detection by an array of countermeasures deployed in between sources of materials and potential targets to provide capabilities to detect and interdict nuclear / radiological material. The GNDA complements and is integrated with the goals of the Global Initiative to Combat Nuclear Terrorism, as well as the Proliferation Security Initiative and other U.S. Government programs such as the Department of Energy's Second Line of Defense Core, Megaports and Homeland Security's Container Security.

Through the Global Initiative, we are developing, in conjunction with the Departments of Homeland Security, Energy and Defense, a comprehensive set of model nuclear / radiological detection guidelines that will identify national, regional, and global detection norms. The guidelines document will explain the basic elements of a nuclear detection architecture, include internationally-accepted standards, and thus serve as a strategic planning guide to assist nations in developing and implementing their own nuclear / radiological detection capability.

The Proliferation Security Initiative (PSI) is yet another critical example of interagency and international leadership by the Department of State to counter proliferation. Established by the President just over five years ago, PSI provides a flexible, agile framework to impede and stop shipments of WMD, delivery systems and related materials. More than 90 states worldwide have now endorsed the PSI Statement of Interdiction Principles. PSI partner nations have successfully conducted dozens of interdictions of sensitive materials for WMD and ballistic missiles en route to countries like Iran and Syria. PSI nations continue to build partners' capacity to act in a coordinated, effective fashion. They have conducted 35 exercises involving over 70 nations to improve interdiction capabilities. In the PSI Operational Experts Group, diplomatic, military, law enforcement, technical intelligence and legal experts develop new operational concepts for interdiction, organize the program of exercises, share information about national capabilities and authorities, and pursue cooperation with industry sectors that can help the interdiction mission.

The Department of State has also taken a leading role in persuading the United Nations Security Council to act against WMD and missile proliferation. In April 2004, as a direct result of the Administration's focused diplomacy, the Security Council passed Resolution 1540—the first resolution to declare WMD and missile proliferation a threat to international peace and security. Security Council Resolution 1540 requires all states to implement effective export controls and nuclear security and to criminalize proliferation by nonstate actors. Since then, the Security Council has adopted a series of resolutions imposing firm sanctions on North Korea and Iran, in response to North Korea's 2006 missile launches and nuclear test and to Iran's continuing defiance of its Security Council and International Atomic Energy Agency obligations. The United States is working actively within and outside the United Nations framework to help ensure that all governments meet their obligations under Security Council Resolution 1540 and resolutions on Iran and North Korea.

REDUCE INCENTIVES TO PROLIFERATION

Many of the programs described above—designed primarily to build partners' capabilities or to eliminate or secure WMD—also reduce incentives to proliferation. They do so primarily by denial (through making WMD and related materials less accessible) and by deterrence (through increasing the risks of detection and interdiction). In addition, other important programs are designed to change incentive to proliferate. The State Department programs to redirect former weapons scientists, technicians and engineers in Libya, Iraq and former Soviet states is a good example of an effort to support this important measure.

We are also assisting another effort to reduce incentives to proliferation in the growing field of nuclear energy. An increasing number of states are turning to civil nuclear energy. We must work to ensure that states pursuing the economic and environmental benefits of peaceful nuclear energy are moving forward in a manner that does not increase proliferation.

Just over one year ago, Presidents Bush and Putin issued a Joint Declaration on Nuclear Energy and Nonproliferation that aims at assisting states to acquire safe and secure nuclear power, encourage proliferation-resistant nuclear technologies, and present viable alternatives to the spread of enrichment and reprocessing. The U.S. Special Envoy for Nuclear Nonproliferation, Ambassador Jackie Wolcott, has been working hard with her Russian counterpart to implement the ideas set forth in the Joint Declaration. Moreover, the United States recently signed Memoranda of Understanding with Jordan, Bahrain, the United Arab Emirates, and Saudi Arabia, in which each of those governments set themselves as counter-examples to Iran by expressing their intent to choose the international market for civil nuclear fuel rather than pursue enrichment and reprocessing.

A key element in this effort is persuading states not to pursue enrichment and reprocessing. In this regard, the United States, Russia, other partners, and the IAEA are all working to ensure reliable access to nuclear fuel should there be a disruption in supply—in order to encourage states to choose the international fuel market in lieu of acquiring indigenous enrichment and reprocessing technologies. In this area as well, we link incentives with deterrence and denial measures—seeking to set tough criteria on enrichment and reprocessing transfers within the Nuclear Suppliers Group guidelines.

In addition, the United States is working to establish stockpiles of low-enriched uranium as a safe means for nations pursuing peaceful nuclear energy to obtain fuel. As part of a Department of Energy effort, the U.S. is developing a reserve of low-enriched uranium fuel, down-blended from 17.4 metric tons of highly enriched uranium declared in excess of national security needs. The first shipment of down-blended low-enriched uranium was sent to a fuel fabrication facility in April, and the first core load will likely be ready by the end of this year. This should be completed by 2010 and is complemented by the ongoing work of the non-government organization Nuclear Threat Initiative (NTI), which is creating an international fuel bank to be managed by the IAEA. Accordingly, we welcome the Congressional appropriation of $51 million in FY2008 to support this program. Those funds will be transferred later this year by the Department of Energy as the U.S. contribution to the international nuclear fuel bank, matching the $50 million pledged from NTI. We are working with the IAEA and other states to meet the remaining $50 million required to release NTI funds.

CONCLUSION

Once again, I would like to thank the Chairman, Ranking Member, and Members of the Subcommittee for this opportunity to discuss foreign aid and the fight against terrorism and proliferation. These represent severe threats to national security and foreign aid plays a critical role in helping to prevent irresponsible states and terrorists from acquiring WMD by shrinking the supply of such capabilities, increasing the likelihood of a successful WMD detection and interdiction, and building tools to execute an effective response to a WMD incident.

Mr. SHERMAN. I thank both of the witnesses. I will recognize myself for 5 minutes.

Ambassador Dailey, I am going to hit you with the same question I hit you with the first time we met about a year ago. It might have been an unfair question now but I am sure you have thought of nothing else in the last year.

There are those who say that this administration prioritizes the independence of corporations, particularly multinational corporations to seek profit unimpaired by governmental action; that they prioritize that objective above the objective of dealing with terrorism. Can you identify for me one or two clear instances where this administration has of its own volition taken action that hurt the profitability and independence of a multinational corporation because that step was useful or necessary in our efforts against terrorism?

Ambassador DAILEY. I do not recall the original question, Chairman, but I welcome the opportunity try and wrestle with that.

Just today I had a prominent businessman in my office expressing how it is their intention through their foundation program irrespective of government guidance to work in countries that are developing, and our request for them was to focus on counterterrorism prone or counterterrorism vulnerable areas.

Mr. SHERMAN. Ambassador, I do want to interrupt. I am asking for times when you have prevented them from pursuing a profitable opportunity, not for occasions where you have urged them to use their charitable dollars in the best possible way.

Ambassador DAILEY. On the business side, Mr. Chairman, I do not think I can present one right now, but I am prepared to take that for the record and respond formally.

Mr. SHERMAN. I want to assure you I did ask you that question in my office a year ago. I have asked other members of the administration. The non-answer is extremely loud, and I think demonstrates the fact that while this administration is famous for invading Iraq, that in fact its number one priority is totally unfettered corporate power in the business sphere, and that the fact that you cannot name a corporation whose business opportunities have been limited speaks volumes, but I want to see if Ms. McNerney has an example where this administration has stepped in and prevented a company from doing something profitable in order to achieve our nonproliferation objectives, and if you do not know just say so.

Ms. MCNERNEY. Well, I actually think we do have a very robust activity where we have identified through our sanctions, through our designations companies that are engaged in proliferation activity and therefore U.S. businesses, U.S. personnel, U.S. banks, all aspects of U.S. economic power are prohibited from engaging with those proliferation entities of concern.

Additionally, we have, obviously, the core countries like North Korea, like Iran, like Syria, where there is a wall in terms of the kinds of economic engagement.

Mr. SHERMAN. So whatever profits might have been reaped selling uranium to North Korea is something that we do not allow to our corporations.

Ms. MCNERNEY. I would just kind of make clear. On this list are companies, for example, in China, that are large multinational companies that otherwise would engage with, and we have put those prohibitions on that kind of engagement.

Mr. SHERMAN. Thank you. An internal audit conducted by USAID's own staff concluded that the organization cannot reasonably ensure that its money does not end up in terrorist hands. This included providing $180 billion to a Bosnian group whose president was on the Watch List that barred him from entering the United States, $1 million for an aid partner who later pleaded guilty to lying to Federal agents about his involvement with a disciple of Osama bin Laden, the funding for al-Kuds and Islamic universities with ties to terrorist organizations, and I know that our next witness, Mr. Emerson, will point out a few other examples as well.

Mr. Dailey, as the State Department's coordinator for counterterrorism, is your input sought in the vetting process and why should

the economic bureau have the lead in vetting aid recipients if you are the coordinator of our antiterrorism effort in the State Department?

Ambassador DAILEY. Our department does have integral parts throughout the vetting of aid recipients, and the three processes are the Leahy amendment that has human rights, and we make sure that that is administered for aid recipients. The second process that is specifically counterterrorism aid is done inside our diplomatic security office where it has assessment, review and evaluation, and then also a program management team. So the recommendation and the application of aid is made by one office but the evaluation of its effectiveness in the vetting of who it goes to is done by another office, and they are not interconnected.

Mr. SHERMAN. So who do we blame for these three instances that I just recited plus the other evidence that I am told will come from another witness, but let us focus on these three, the Bosnian situation, the partner with bin Laden, the al-Kuds and Islamic university?

Ambassador DAILEY. Those specific three instances, I cannot identify who would be blamed.

Mr. SHERMAN. Would your office have any input or authority or screening of those, or——

Ambassador DAILEY. We have input to it, and participation but we do not officially say yes or not. But what I would like to say is as a result of some of the USAID misuse of development aid they have internally implemented a system themselves. I am not familiar with the details of that, but that is a result of these failures.

Mr. SHERMAN. So there is U.S. misuse of development aid, to use your own words. So has the State Department been upset with any of its particular employees who are responsible for that?

Ambassador DAILEY. The State Department is upset with the misuse and appreciates the fact that it has been identified by concerned citizens and others that we want to follow up on those, but what particular punishment has taken place I am not familiar.

Mr. TANCREDO. Mr. Chairman.

Mr. SHERMAN. Yes.

Mr. TANCREDO. There is a gentleman who is doing simultaneous translation here and it is becoming kind of annoying. I do not know how our panelists are dealing with it, but I wonder if we could possibly do it in the other part of the room and not too loud.

Mr. SHERMAN. I do not know who the individual is.

Mr. TANCREDO. The gentlemen right here.

Mr. SHERMAN. Thank you very much, and we do want to accommodate all our guests, and if there is a way to do it that does not interfere with the hearings, we certainly want to set that up. Sir, if you talk to Roger here and have any ideas as to how to accommodate your needs, we would be happy to do it, but only in a way that does not interrupt the hearing.

With that, let me go to Mr. Royce.

Mr. ROYCE. Thank you, Mr. Chairman. We have got a lot of ground to cover so maybe just a yes or no on this first question to the Ambassador, Ambassador Dailey.

You testified about efforts to counter elicit cash couriers. So is North Korea still counterfeiting the United States? Yes or no on that.

Ambassador DAILEY. Can I use "I don't know"?

Mr. ROYCE. Well, you can, yes.

Ambassador DAILEY. I do not have a specific answer.

Mr. ROYCE. All right. Second, and that is what I suspected, you said in the past that we will need to work with European countries to connect European Muslims with the societies in which they live and to resist the lures of extremist recruiters. What do we bring to the table here in trying to better integrate European societies?

Ambassador DAILEY. I guess that is not a yes or no, sir.

Mr. ROYCE. No, because you have got it in your testimony.

Ambassador DAILEY. We saw that there are two different types of migrant populations, immigrant population, Muslim population challenges. In Europe, it is the migrant population and there is a very, very small group that has the potential to be radical. We have assisted them in the wakening or realization that this is a serious problem. We just finished a forum with our United Kingdom colleagues on the specific programs in their country. We have a best practices process going on right now that I have directed my team to make available to our ambassadors to share with the foreign nations.

We do not have the problem for the expertise in our own country, so we are asking and saying to the European nations you do, you have the insight, they are in your country, make sure you address it, and, frankly, virtually all of them have made significant strides there.

Mr. ROYCE. We are going to have on our second panel Steve Emerson who is a witness and he will testify that the State Department's efforts to reach out to the Muslim community has resulted in multiple collaborative efforts between the State Department and radical Islamist groups and individuals. Some of these groups and individuals have even been convicted, indicted or designated unindicted co-conspirators in terrorism cases in the United States may link directly to the Muslim Brotherhood or share fundamentalist ideology.

Are you familiar with Mr. Emerson's work and is it accurate?

Ambassador DAILEY. I am familiar with his work in general. I am not familiar with his work in the specific area.

Mr. ROYCE. All right. Well, let me go to another question. A witness on the second panel will note the large and growing link between drug trafficking and terrorist organizations. Doug Farah testifies of the 43 foreign terrorist organizations the Drug Enforcement administration reports 19 have links to drug trafficking, and more have suspected links.

So regarding Boris Curry, I guess so much for the arguments that the Mexican drug cartels would never collaborate with terrorists, and we know that certainly was not the case with Mahmood Karimi. As I mentioned earlier, the Hezbollah was brought over the border in the trunk of a car, into the United States. But I was going to ask you what you think about this thesis that there would not be a connection versus Doug Farah's assertion that there most certainly is a major connection here?

Ambassador DAILEY. Oh, we think there is a nexus between drugs and terrorists. The advantage that terrorists use in those situations is that they will employ the drug pipelines and the drug systems to their benefit, and the drug organizations will use it as a profit process of moving individuals through or funding for weapons, so we agree.

Mr. ROYCE. Would we assume then from what happened with the brother of the general in charge of security for Hezbollah who launched the attacks there, the missile attacks on Israel in August of 2 years ago, since his brother was actually coming in through such a network into the United States and is a cell group are not serving time in prison, would we assume from that that there is a threat on our southern border?

Ambassador DAILEY. I think there is anecdotal information right now. We do not see it as a trend, but it is a threat.

Mr. ROYCE. It has been reported, if I go over to Patricia McNerney, if I could ask you this, it has been reported that you have been representing the United States in the verification working group in the 6 Party talks, but today it seems it is the Korean desk officer who is actually in Beijing working on the verification protocol.

In any case, obviously it is odd to us as Members of Congress that it was not Assistant Secretary Paula DeSutter who heads a very different bureau, the Verification Compliance and Implementation Bureau, heading the U.S. side there. So according to State's Web site, VCI's mission is to ensure that appropriate verification requirements and capabilities are fully considered and properly integrated through the development, negotiation and implementation of arms control, nonproliferation, and disarmament agreements.

So I would ask, you know, Ms. DeSutter and her bureau got very high marks when it came to Libya's dismantlement. We worked with them on that very issue. Why are they missing here on this front?

Ms. MCNERNEY. Well, actually they are not missing. I have been part of the verification working group. What is going on right now are talks that are on broader issues that Sun Kim is engaged in in Beijing. For the denuclearization working group itself, I have a member of the Verification Compliance and Implementation Bureau on my team as well as people from the Department of Defense, the Department of Energy, the intelligence community.

Our bureau is charged with the broader nonproliferation policies of which verification is a very important subset of that effort.

Mr. ROYCE. Well, I guess the confusion here is if the Bureau whose name includes the word "verification" initially who had this mission is not the lead, that it makes folks on the Hill question exactly what they do because I think appearances and titles matters. They matter in Asia. They matter here. I have no doubt that you or this desk officer are capable, but DeSutter is an assistant secretary with that specified portfolio, and if we are going to show North Koreans that we are serious about this and if the mission of her department is to develop a program where you have access to nuclear materials, environmental and bulk sampling of materials and equipment, interviews with personnel in North Korea as well as access to additional documentation and records for all nu-

clear-related facilities and operations, short notice inspection of suspect sites and so forth, if that is the mission of the department given the responsibility of verification, you know, and if instead we have the desk officer working the Beijing audit, a different department taking the lead on this, for those of us that would like to see verification as the prime end game here, and frankly, given the fact that during this whole process North Korea turns out to have been proliferating into Syria, at the same time building a nuclear reactor——

Ms. MCNERNEY. Yes.

Mr. ROYCE [continuing]. For a nuclear weapons program, obviously it raises this question.

Ms. MCNERNEY. Sure. And verification is an essential element, but we also need to remember that our end game here is actually to remove the nuclear weapons from North Korea. Our bureau, as the International Security and Nonproliferation Bureau is charged with the overall nonproliferation mission. Verification of the declaration that they have presented and any subsequent declarations obviously is an essential element which is why we work very closely with the verification bureau and their participants in the denuclearization working group.

That working group, of course, has broader requirements beyond—currently we are obviously in the negotiation phase of this.

Mr. ROYCE. Well, Ms. McNerney, are you saying then that you think that at the end game you are going to remove the nuclear arsenal there, the nuclear weapons in North Korea? That is what you just state.

Ms. MCNERNEY. That is what the joint statement calls for, and that is certainly what the end game of our negotiation is. I think the difficulty of that is obviously very clear, but we are working in this interaction approach that has been outlined by the administration.

Mr. ROYCE. Thank you.

Mr. SHERMAN. Thank you very much, Ms. McNerney, and thank you very much, Ambassador Dailey.

Mr. Scott.

Mr. SCOTT. Thank you very much.

Let me turn to Pakistan if I may. To each of you, how would you assess the value of our foreign aid going to Pakistan for counterterrorism efforts? How affective has our counterterrorism assistance program been in Pakistan?

Ambassador DAILEY. Pakistan is complex, and now complex and fragile. I think our influence primarily shown through foreign aid was an element that pushed forward a democratic government election. Now that is a macro solution with a lot of smaller elements to move toward that, but our foreign assistance aid, our military aid, our diplomatic activity, all of those things contributed too. We now have a Pakistani Government that is democratically elected. We did not have one before.

So when we look at the effectiveness of our overall policy, the values and goals we think are important to a democratically-elected government, we probably made the challenges fragile. In some specific areas, in my area specific programs have been pretty successful. It was the training of the forensics and evidentiary team that

could go to sites, review, analyze, take a look at what has taken place in a post-accident or post-terrorist situation, turn that into evidence to go after individuals who may have been part of that. That has been successful in Pakistan and transferring that evidence outside of Pakistan to other countries has been successful. So that is one example.

A macro solution that our aid has contributed to the democratic government on micro is that it continues to support in a post-terrorist scene analysis.

Mr. SCOTT. Let me ask you more directly, Mr. Dailey. Can you cite for us any example of how our counterterrorism efforts have been successful and our main objective? Our objective in Pakistan and along their border in Afghanistan is al-Qaeda and Osama bin Laden. Can you point to a success in reaching that goal?

Ambassador DAILEY. In an objective manner, money tied to bin Laden or Zawahiri, I cannot. In a subjective manner to attempt to create an environment to go after al-Qaeda as best we can in a society that is not receptive to U.S. interference, we have made some progress.

Mr. SCOTT. Do you think that we have spent a huge amount of money, you know, in that area. Our intelligence says al-Qaeda, Osama bin Laden is on that border. I have been over into Pakistan and Afghanistan, and each time there is a different level. When I am in Afghanistan and when we are talking to President Karzai, there is a level of commitment and directness coming from the Afghan side about this. Then when the subject matter turns to Pakistan, it borders on an element of just hostility to the fact that they are not doing what they should be doing, and not only that but there is trickery and deceit on that side of the border and with the Pakistanis. When we go into Pakistan and we have met on occasion with President Musharraf, that enthusiasm, that level of commitment, that energy that you got on the Afghan side is not there on that side.

But the point of my question is, is the will there? Is the desire there on the part of the Pakistanis? Could it be that without the necessary checks and balances, without the necessary tying our money, hard-earned taxpayers' dollars we sent out to Pakistan should not we be getting better results if we did tie our money to results, and if we do that would we, in effect, discourage what little—in my opinion—help we are getting in that direction by tying restrictions to it?

In other words, tell me if you feel there is a reason for us having these loose accounting procedures there because if we tighten them and say, hey, if you want to get the money, you have got to do this, we have got to see results.

Ambassador DAILEY. The loose accountability that you are talking about, Congressman, has come to the attention of the U.S. Government, and in two areas we are trying to tighten that up enough to be able to say that we are doing due diligence. On the military side, accountability. On the social and economic development program, that is going to go into the Fatah, a separate entity to make sure that the Pakistanis are held accountable are being established.

It is a delicate balance. If we impose so much accountability and so much oversight that we may end up dealing with what little support and presence they allow us right now, and that goes back to how fragile they are.

I certainly do not want to be viewed as an apologist, but I would like to be viewed as a realist. It is a delicate balance, complex. So we do want to increase the accountability in those three areas—militarily, socially and economically. We also want to make sure we retain the leverage to have access, albeit limited, into the Fatah, northwest province area because absent that we would have absolutely nothing.

Mr. SCOTT. Thank you, sir.

Mr. SHERMAN. Thank you. I now want to recognize the very patient Mr. Tancredo, who was the first to arrive in the room, and the last to speak.

Mr. TANCREDO. Thank you very much, Mr. Chairman. I find these things really pretty fascinating hearings, and I appreciate your holding them.

Mr. Ambassador, I am going to take this in just a little bit of a different direction here. I am going to do so because of your role that will be played in dealing with the renew of MEK situation coming up in October, and I do not know that I will have another opportunity to discuss this with you.

But specifically I want to ask about People's Mujahedin of Iran, also called the MEK, and the MEK advocates a secular democratic government for Iran that respects human rights and freedom. The group also has provided critical intelligence to the United States about Iran's nuclear program as was attested to in this committee last year by a member of someone in the State Department.

In addition, many of the members of the group are in the protection of United States forces, Camp Ashraf in Iraq. In short, the MEK is a group that the United States and the West cultivate, it seems to me, as a democratic change in Iran.

Unfortunately, instead of assisting and encouraging these dissidents, the United States and the United Kingdom labeled them as a terrorist organization in the 1990s in the hope that in doing so we would encourage favor with the moderates in the government of then Iranian President Mohammed Khatami.

Clearly, the political goals behind this failed to materialize. If anything, the Iranian Government has become more aggressive and repressive in the years since the MEK designation of a terrorist organization. Iran is supporting violence and terrorism as you know from Baghdad to Beirut and it has defied U.N. demands to end its nuclear enrichment program and shows no signs of modernizing its behavior.

The United Kingdom seems to have realized this and removed the MEK from the British terrorist list earlier this year. In doing so, they have sent a message to Tehran that they are ready to free the MEK from the international stigma that comes with a terrorist label.

Now, if dialogue and diplomacy are to be successful, there must be more than opportunities for Iran to stall for time while moving forward with their nuclear program. Willingness to negotiate with

terrorists does not work unless one is willing to use sticks as well, and the MEK is one of those sticks it seems to me.

Today there is no longer any legal or political justification for keeping the MEK on the terror list here in the United States, at least that I am aware. The MEK does not behave like a terrorist group. By protecting the group in Camp Ashraf, our Government certainly has not been treating them like terrorists.

So the question, of course, is why are they still on the list? What can we expect to happen as a result of your review and what is happening up to this point in time as a result of your review that will get them to the point of—especially knowledge of what it takes to get off the list?

Ambassador DAILEY. Sir, thank you.

They do have a history of being a terrorist organization. In 1979, they killed several Americans. They have stayed on the list along with 43 others. We have legislation that was put into place in 2003 that directs a review of all of our 44 foreign terrorist organizations at the 5-year mark. We are in that process right now. We have done 8 to 10; reviews have been disseminated to our interagency folks. MEK is not involved in that portion but it will be.

In that review we are going to check and see if the three criteria for a terrorist organization is still retained, (1) they are foreign; (2) they go after U.S. folks; and (3) there is terrorist activity in executing that.

If you take a snapshot back 5 years, it appears to be somewhat clean. So we are doing a professional effort to review them, and as a result of that legislation the review that we provide is then subject to appeals in a U.S. court system so there is an opportunity if by chance the organization does not get de-listed to appeal at the second level.

The situation in U.K. where they took it off, the executive branch wanted to keep them on. It was the judicial branch that took them off. We expected the same thing to happen in the EEU to follow suit with the U.K. That did not happen. The EEU folks kept the MEK on the list.

We are soliciting those countries additional information intelligence-wise as to why they thought it should stay on. We have about 180 days to resolve this and so I would submit to you that it is in the process of getting looked at. It does have attention from other individuals besides yourself, and the State Department is doing as professional and as thorough look as we can that will withstand judicial review.

Mr. TANCREDO. Well, that is encouraging I must tell you. That is the most direct answer I have on this issue in the many times I have brought the question up, and I do so, Mr. Ambassador, not because I have any particular desire to see them succeed in Iran in a political sense, the MEK, that is, with a political arm, I really do not care. It does not matter to me whether they have any political support inside Iran or not. It just seems to me that the one thing we do know about them for sure it seems like there are some facts that are indisputable, and one of them being, which you mentioned earlier, that for at least the 5-year period of time, the last 5 years or so there is no activity that would lead us to believe that they are involved with terrorist activity.

But we are in fact protecting them in Camp Ashraf. That is a fact, and it is kind of an interesting one considering the fact they are identified still as a terrorist organization.

But perhaps the most important fact here, undisputable fact is that they are detested by movements in Iran, and there has got to be a reason for that. They are petrified of this organization for whatever reason, whether it is just historical, there is something about that that just really drives them nuts, and it seems to me that we tried on the political side, you know, that was the whole reason, I think, of putting them on the list. There were instances, of course, that we could use to justify it, but I think generally speaking the reason they ended up on that list was to mollify the Iran Government at the time. It did not work.

So as I have stated, it just seems to me only logical for us to now look at them in a way that can put them to work for us. They have done—they have provided us with some very good information. They know the language. They know the culture. It just seems like they are a tremendous asset if we can exploit it, and that is why I bring it to your attention, and I really do appreciate the fact that you have been as direct as you have been in your answer because that has not been the case in the past.

Do I have time left?

Mr. SHERMAN. No. Thank you very much.

Mr. TANCREDO. We do not have the little lights blinking anymore.

Mr. SHERMAN. We are doing this with the old technology. I want to point out that both myself, and working with others, we have asked the State Department to identify what criteria the MEK should be, what criteria other not anti-American organizations should be to get off the terrorist list both to be fair and open as to what those criteria are, and second, to try to make sure that the organizations conform their behavior to what we want by telling them what we want.

With that I want to yield to the gentleman from Florida.

Mr. KLEIN. Thank you, Mr. Chairman, and thank you for being here today. I appreciate your time.

I would like to shift my comments over to nuclear proliferation and specifically obviously the great concern that we have in this country and around the world about Iran developing a nuclear weapon is not only its potential threat of use, but also its ability to transfer that technology to terrorist organizations around the world.

One of the things the United States has spent many years on and I am sure both of you have been very much involved is the desire to deal with the former Republic of the Soviet Union and the material weapons, the material that they had in their possession. We have the fund, the State's Nonproliferation and Disarmament Fund, and if you can start off by just giving a quick status report on what is going on with that disarmament effort, and where do we stand from a status point of view?

Ms. MCNERNEY. Well, in terms of Iran you are talking about?

Mr. KLEIN. No, the Soviet Union. Former Soviet Union.

Ms. MCNERNEY. Okay. Right. The program itself—I do not have with me all the details and all the specific facilities and so forth.

A lot of what we do at the State Department is coordinate with DOD and DOE which have the bulk of the funding that do a lot of the programmatic monies, but just from a broader perspective but we are trying to do is really move toward self-sustainability and shift away from the heavy emphasis on the Soviet republics, the former Soviet republics.

That said, there is still a lot of work to be done. We have a goal of about 20 facilities by 2012 that we are seeking to complete our work there. We at the State manage an international science center with other partners. We are trying to cooperate with particular scientists that had previous experience or current experience that we are concerned obviously in the——

Mr. KLEIN. If I can interrupt for a second. Specifically, the status of how successful have we been in terms of controlling the material, or level of security in knowing that the material will not fall into the hands of terrorists.

Ms. MCNERNEY. We work with Russia and the former Republics to secure the material that obviously was potentially exposed in the breakup of the Soviet Union. We have also worked to take materials and remove from some of the republics back to Russia for down blending to low enriched uranium from the highly enriched weaponized uranium, to put better security around those materials. For example, we have done a lot in Ukraine to bring all those radiological sources which can have dual use.

Mr. KLEIN. Where are we in the process, though? I mean, are we 50 percent there? Are we 25 percent? Are we 80 percent there?

Ms. MCNERNEY. I hesitate to give a number just because I think I would want to go back and look sort of specifically in the programs in terms of completion of movement. But in terms of actually securing the fissile material, I think we are pretty satisfied that we have got a good partner in Russia and that material is well secure.

Mr. KLEIN. If I can and maybe the committee might be interested in this as well after the fact if you can go back and we have not talked about this in a little while, it came up a few years ago, but I think many of us would be interested to see what we are doing, how we are doing it, whether we can make adjustments to the program.

The second question that falls out of this is there are a lot of—you know, a substantial amount of uranium that is located in Africa. In many places in Africa where there are very weak governments, very low security, a lot of corruption. What do we do about that? What can we? What is the current status of securing sources of uranium which obviously can fall into the wrong hands?

Ms. MCNERNEY. I mean, the uranium itself is simply yellow cake, sort of pure, your natural ingredient that in and of itself is not enriched in the weaponized kind of way that would be dangerous. That said, would not want to see countries like Iran have access to these mines. That is prohibited by the Security Council resolutions that we have adopted. A lot of these mines are actually owned by multinational corporations, so we have worked closely with other countries that may have ownership in these corporations to try to do more to secure who the purchasers are from these mines.

Some of the countries with certainly less secure laws we are trying to increase their export control rules, their enforcement, but that is tough obviously when you are dealing with countries that have institutional problems across the board.

So to the degree that we can get directly to the corporations that might run the mines we try to sensitize them to the customers on the other end of it. That is an area we can do more.

Mr. KLEIN. Again, maybe you could follow up with us on that in terms of an understanding of where we stand in that effort.

Ms. MCNERNEY. Yes.

Mr. KLEIN. Obviously it is complicated but it is also important because the source of——

Ms. MCNERNEY. Sure.

Mr. KLEIN [continuing]. Non-enriched uranium is something that in the wrong hands ends up becoming enriched uranium.

Ms. MCNERNEY. Right.

Mr. KLEIN. So we want to make sure that that is followed up on.

Mr. Chairman, last, I just have one other question. Part of the concern about funding in terms of terrorist organizations, this falls into the Middle East, relates to even the Palestinian side, some of the money that was getting into hands of some of the Palestinian organizations. I guess the question is when we are doing the security assistance programs, how do we actually work with these organizations to vet the personnel of the organizations to make sure that the money is not going into the wrong hands.

Ambassador DAILEY. It is difficult to get to specific individuals but we try to get those individuals who will handle it in those organizations. If we get the names, we have several lists to move them up against. In many instances we turn out that we are funding an organization that is perfectly legitimate, and unbeknownst to us several individuals have been hired or employed or sub organizations have been hired or employed and we do not know. We rely on our USAID and our Embassy officials in those respective countries to give us their best analysis. We believe that the NGO, PGO or organization is best to get the information of the individuals that make it up, and that gets fed back into our process back here in the United States.

So it is as challenging there as it is human rights vetting and keeping track of those potential violators.

Mr. SHERMAN. I also want to ask this panel, we just have one more interrogate—excuse me—question to go to please try to stay here to hear the next panel or leave one of your deputies so that if anything is said that you could provide useful information or a response to, that you are able to do it, and without objection we will make all witnesses' statements, their full statements part of the record.

Now I yield to Mr. Poe.

Mr. POE. Thank you, Mr. Chairman. I have basically two questions, but first I am curious, Ms. McNerney. Are you in any way related to Senior Master Sergeant David McNerney who won the congressional medal of honor in Vietnam?

Ms. MCNERNEY. Not to my knowledge, but I find that most McNerneys are related a couple of generations back.

Mr. POE. Thank you. Wonderful individuals, and he can still get in his master sergeant uniform from Vietnam, in the Air Force, he was in the Air Force.

Be that as it may, two questions. As you heard in my opening statement, I am troubled that dollar for dollar we give Israel money. I think it is great to support Israel for all the reasons that most Members of Congress support Israel. But because for 30 years we got this deal made that we have to support Egypt as well. It seems like we may be paying a bounty on peace in the Middle East so that we fund the Egyptians dollar for dollar of military aid.

What is your thought about that, and how do we know that that money is not being used, as the chairman said earlier, against us such as with Hamas and that region of the world?

Ambassador DAILEY. Congressman, I think the Egyptians have as much a challenge with Hamas as other countries here, so I doubt that they pass it off or whatnot, but I am not sure that it is immediate straight from them to Hamas.

The challenge we have with that money is it gives us leverage to in fact get Egypt to be less of a war footing, to put it back in the perspective where it took place. They initiated the '73 war. So although it may be antiquated, it may be dated, it still allows that area, at least in the southern borders, not to be at a near state of war like Israel has potentially with Lebanon in its southern portion and with Syria. So my example or my logic is it is leverage for foreign policy to keep them out of direct military operations.

Mr. POE. Well, I am not questioning whether we should aid Egypt. It is just the dollar-for-dollar amount that concerns me, and I think Congress needs to reevaluate the whole concept.

The other issue is Venezuela. Venezuela last year for the second straight year was designated as a country not cooperating fully with the United States in antiterrorism efforts. Venezuela has concluded nearly 200 bilateral agreements with Iran. How great a security threat is Venezuela?

Ambassador DAILEY. It is a serious threat and we are watching it very carefully. We put them on the not fully cooperating list.

Mr. POE. What does that mean? I am sorry. What does that mean that they are not cooperating?

Ambassador DAILEY. It does not have the same level of impact as a state sponsor, and you could use it as a stepping stone to being a state sponsor that we have employed in a public manner to put them on notice. That is probably the best tool for not fully cooperating.

We did our darndest to look through intelligence that we could apply to Venezuela and in the terrorist arena. We did not have enough to justify moving them to the next higher level, but we are watching that carefully.

Mr. POE. What about activities with Hezbollah and Venezuela?

Ambassador DAILEY. We do not see it as operational activity. We see it as logistical or some form of support activity. We are uncertain as to the size or volume. As a result, we could not use that as an absolute factor against them.

Mr. POE. Great. Very good. Concisely, what does that relate to? Are they giving Hezbollah money or influence? How would you explain that to me?

Ambassador DAILEY. Hezbollah has an ability to come into an area in a charitable manner, and build credibility and a logistical support structure. We think that possibly is what could be taking place there. It is not illegal. It is not direct terrorist activities. It is benign, is probably the best word. Unfortunately, it is a support structure that could become active, and that is why we are watching them.

Mr. POE. Thank you, Mr. Chairman. I will yield back the rest of my time.

Mr. SHERMAN. Thank you. I want to thank the witnesses for coming before us here. I want to particularly commend Ms. McNerney for the brilliance of hiring Mark Smith who got his training in an exceptionally well run congressional office. With that I will call up the next panel. Thank you very much.

The next two panelists will have at least some criticism of the State Department, but we have just heard from two highly articulate, intelligent and well-placed individuals who have explained and where necessary, defended the State Department. I would point out that some would have said that we should have had the State Department as the second group of panelists to respond to what those who question them have to say, but is the invariably practice of this committee to hear from the State Department first as the preeminent panelists. So with that we will move forward to the next panel.

Oh, Ambassador Dailey, I believe you have a document for me? Is it a subpoena? [Laughter.]

Thank you. Thank you for coming by.

There should be votes in less than an hour so we will try to move forward quickly, and I will start introducing our second panel of witnesses.

I want to welcome Steve Emerson, Executive Director of The Investigative Project on Terrorism, a nonprofit organization that serves as one of the world's largest storehouses of archival data in intelligence on Islamic and Middle East terrorist groups. Mr. Emerson launched The Investigative Project on Terrorism in 1995, well before many of us focused on the issue. Following the November 1994 broadcast of his documentary film, "Jihad in America," which received numerous awards, including the George Polk Award for best television documentary.

Prior to starting The Investigative Project on Terrorism, Mr. Emerson worked as a correspondent for CNN.

I also want to welcome Douglas Farah, Senior Investigator at the Nine Eleven Finding Answers Foundation, and a Senior Fellow at the International Assessment and Strategy Center. Mr. Farah has done projects for the Department of Homeland Security, the Homeland Security Institute, the Rand Corporation, and the United Nations' criminal investigative unit.

For two decades before that, Mr. Farah worked as a foreign correspondent and investigative reporter for The Washington Post and other publications, covering Latin America, West Africa, drug trafficking, and radical Islam.

Mr. Emerson, your appearance here today has riled some folks up. We look forward to hearing from you.

STATEMENT OF MR. STEVEN EMERSON, EXECUTIVE DIRECTOR, THE INVESTIGATIVE PROJECT ON TERRORISM

Mr. EMERSON. Thank you very much. First of all, I wanted to say it is a pleasure to be here and I appreciate your holding the hearing. I have worked with both you and Mr. Royce in previous years on counterterrorism programs that have proven to be very effective.

My comments here today will deal with various State Department programs that have funded, embraced or aligned themselves with radical Islamic front groups here in the United States or overseas. I do believe that it is imperative to hold outreach with Muslim groups, but I also believe that it is imperative that if that outreach is held with radical Islamic groups, that the State Department clearly identify areas of differences and hold an honest dialogue as opposed to an uncritical approach that legitimizes such organization.

Now, I know obviously from the coordinated campaign of e-mail generated yesterday by several radical Islamic groups to suppress my testimony, including an effort that was generated in California by several groups who barged into your office and demanded that I not speak, has generated some controversy. Well, controversy always sells, so I am glad we see a full house here.

But strongly this controversy demonstrates exactly why and how the problem of radical Islamic groups in the United States is indeed something that has to be wrestled with and cannot be ignored simply because they define themselves as ethnic minorities.

ISNA, the Islamic Society of North America, the Muslim Public Affairs Committee, CAIR, the Council of American Islamic Relations, and the Muslim American Society have been able to deceive the American Government, media and even public occasionally into projecting a false image of moderation while still presenting and promoting radical Islamic theology. I think this phenomenon is very dangerous, especially since it grants legitimacy to groups that have called for support for radical Islamic theology.

This would be the equivalent of having David Duke, a notorious racist, project himself successfully and get government funding as a "civil rights activist" when in fact he is a white racist.

Conducting outreach to moderate Muslims should be an essential part of U.S. policy, and as I know you know, there are various key courageous moderate Islamic groups. I shy away from mentioning names because there is guilt by association, so I want to make sure that they retain their independence. They do not operate with me, but I know they exist, and I know you are aware of them.

It is imperative, however, that the U.S. not afford legitimacy to groups that support Hamas and Hezbollah, attack the government's program of shutting down radical Islamic fronts for terrorist groups, that refuse to condemn, let alone acknowledge, the dangers of radical Islam, that refuse to speak out against the oppression of women, that falsely invoke racism in response to specific indictments or criticism of terrorist groups, that also have been named as unindicted co-conspirators in the Hamas case and other cases, and that serve as de facto fronts or derivatives of the Muslim Brotherhood, a totalitarian radical Islamic movement that believes in violent jihad, in the position of Shariah, suppression or execu-

tion of women who are alleged to have committed honor crimes, and suppression against other minorities such as gays.

The program that my organization has identified within the State Department has focused on identifying those areas over the last decade and a half that have resulted in indirect or direct recognition of radical Islamic front groups that obviously do not have the names Hamas or Hezbollah or the Muslim Brotherhood in their names, but in fact are derivatives of or support those ideologies, and I am going to give you several examples. My testimony is actually more than 105 pages, and I would only read that if I was soliciting money, so in the meantime I am just going to mention in the 2 minutes a couple of examples.

The case of Abdul Rahman Al-Amoudi, the State Department spent tens of thousands of dollars on him over a period of a decade, sending him abroad to speak on behalf of American Muslims or the United States. In fact, Mr. Al-Amoudi was sentenced to 23 years in prison in 2004 for his role in a terrorist plot to assassinate the leader of Saudi Arabia with two al-Qaeda operatives, and it was revealed, despite the fact that he had been a major invitee to the White House, the FBI, even to Congress over the previews decade, he had actually been a courier for Hamas and al-Qaeda during the previous 7 years prior to his indictment in 2003.

There have been another case where the State Department has invited or supported or funded trips by members of the Muslim Public Affairs Committee, which is a group called MPAC in the United States, which originated from the Muslim Brotherhood, and whose members and officials have either blamed Israel for 9/11 or have supported Hezbollah, equated them with United States revolutionaries.

Hezbollah, I should note, and Doug Farah knows, my colleague here, that Hezbollah was the number one killer of Americans before 9/11, and that members of MPAC have also defended other radical Islamic terrorist groups and called U.S. policies against radical Islam "racist."

And a good example where the State Department operated promptly when informed about a terrorist tie, the United States Government, USAID had been supporting the Holy Land Foundation for relief and development, which turned out to be a Hamas front, was shut down and is now at trial in Texas for funding Hamas.

When USAID was notified about its support for a terrorist front group, it immediately shut it down, so I think that is a good example that the State Department did respond to due diligence, but there are many other examples, unfortunately, when the State Department without resort to classified information and without resort to inside intelligence should have reacted against its financial support of and its alliance with groups that have supported radical Islamic theology, including the Palestine-American Research Center, which has received hundreds of thousands of dollars from the State Department even though it promotes an uncritical radial Palestinian view of the Israeli-Arab conflict. It has embraced the Hamas narrative on what is going on there, and has uniformly and imbalancely contempted Israeli actions while never condemning any violent Palestinian terrorism.

There is the International Visitor Leadership Program that operates very extensively. Unfortunately, during the last decade it has embraced or sent abroad or brought into the United States various groups that support Islamic terrorism, and it has arranged for members of the Council on American Islamic Relations, which is named as an unindicted co-conspirator in the Hamas case, to meet with these groups over the past 7 years.

There is the Citizen Exchange Program which has given money to Islamic groups that have supported jihad and also has supported the Muslim Brotherhood.

Interestingly and disturbingly enough, the former coordinator for counterterrorism at the State Department, Henry Hank Crumpton, spoke at a conference sponsored by the International Institute of Islamic Thought in Alexandria. Unfortunately, what he did not realize at the time, or maybe he did realize and discarded it, was that IIIT was part of a complex network of companies, charities and nonprofit corporations known as the SAAR Network or Safa Group, which has been known to open criminal investigations since 2003, and in fact declassified FBI documents and public affidavits listed IIIT as being members of the Muslim Brotherhood, and as being criminally suspected of funding Islamic terrorist organizations.

The former Undersecretary of State for Public Affairs and Public Diplomacy, Karen Hughes, actually went and visited the Islamic Society of North America, as one of her first missions, as well as the Muslim Student Association. The Muslim Student Association is a group that was the first branch of the Muslim Brotherhood in the United States, and has been linked as definitively tied to terrorist organizations and the Muslim Brotherhood by declassified FBI documents that we just received a few weeks ago.

The Islamic Society of North America has attacked anyone who criticizes radical Islam, does not acknowledge its existence, and was named as an unindicted co-conspirator in the Hamas terrorism case.

I am not against, again to repeat, the dialogue with Islamic groups, even those that are radical, but I do believe it is imperative not to uncritically embrace these groups, legitimize them, collaborate with them, and enhance their legitimacy. I believe when the State Department meets with these groups it is imperative that the State Department tell them that in exchange for your getting recognition we expect you to condemn radical Islamic theology, because that does a disservice not just to the American public but also to the vast majority of Muslim moderates around the world and in the United States who are not represented by these organizations.

Of course, I also believe that there should be a definite emphasis and re-initiation of programs that legitimize and enhance the activities of moderate Islamic organizations which do exist in the United States, in Washington, in Boston, in Phoenix, in California and elsewhere, and therefore I believe that the general outline of my testimony, as is written, is, one, to disencourage this uncritical outreach to, alliance with, funding of pro-Islamic terrorist organizations or pro-Islamic fronts that espouse their ideology.

I am not for any encroachment of their freedom. I am for truth in advertising, and therefore if a group claims that they are antiterrorists or anti-Islamic terrorism, they should demonstrate that in their statements and in their actions. Unfortunately, many of these groups, such as the Muslim American Society, the Muslim Public Affairs Council, the Council on American Islamic Relations, and others, say one thing publicly to government officials and to the media, and yet practice something else entirely different behind closed doors, or even open doors, and we have tracked these groups for many years and have acquired tens of thousands of hours of audio and video of their statements in support of radical Islamic theology.

So therefore I believe the government should do a much more careful due diligence, a due diligence that can be done either by a Google search, by a search of Web sites, by Nexus or even a simple interview with these organizations and ask them do you support Hamas and Hezbollah or do you condemn them, and eliciting that type of answer, an honest answer, will indicate whether in fact they are legitimate partner for the State Department.

Thank you very much.

[The prepared statement of Mr. Emerson follows:]

Testimony of

Steven Emerson

Before the

United States House of Representatives Committee on Foreign Affairs, Subcommittee on Terrorism, Nonproliferation, and Trade

July 31, 2008

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I. Executive Summary

The State Department's efforts to reach out to the Muslim community have resulted in multiple collaborative efforts between the State Department and radical Islamist groups and individuals. Some of these groups and individuals have even been convicted, indicted, or designated unindicted co-conspirators in terrorism cases in the United States, many linked directly to the Muslim Brotherhood or share its fundamentalist ideology. Collaboration between the State Department and Islamists has occurred in a variety of ways including hosting and sponsoring Islamist speakers, meeting with Islamist advisors, attending Islamist events, and funding programs involving Islamist groups and individuals, particularly at U.S. embassies abroad.

The following are a sampling of some of the disturbing, irresponsible and even dangerous examples of State Department collaboration with radical Islamists and Islamist organizations:

- **The Case of Abdulrahman Alamoudi** - The State Department spent $40,000 from 1992-2001 sending Abdulrahman Alamoudi to speak abroad on behalf of American Muslims,[1] oblivious to Alamoudi's ties to Al Qaeda and Hamas.[2] From 1994-1999 Alamoudi serves as director for the United Associated for Studies and Research (USAR), linked to Hamas.[3] In 2004 Alamoudi admitted his involvement with two Al Qaeda linked agents to assassinate then Saudi Prince Abdullah,[4] and is currently serving a 23 year jail term[5]. In 2005 the U.S. Treasury Department found that Alamoudi raised money for the Al Qaeda-tied Movement for Islamic Reform in Arabia (MIRA).[6]

- **The Case of Yahya Hendi** – The State Deparment spent $178,144 from 2003-2007 for Hendi to speak on behalf of U.S. across Africa, Europe, and South Asia[7] Hendi had ties to an Al Qaeda front when he made these trips. The Benevolence International Foundation (BIF), which Hendi had served as a moderator at a 2000 fundraiser, had been designated a financier of terrorism for supporting Al Qaeda

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[1] United States Department of State, FOIA Documents, Case ID: 200701416, Dec. 18, 2007.
[2] "Treasury Designates MiRA for Support to Al Qaida," U.S. Treasury Department Press Release, July 14, 2005, http://www.treas.gov/press/releases/js2632.htm (accessed May 8, 2006).
[3] Articles of Incorporation, United Association for Studies and Research, Secretary of State for the Sate of Illinois, Sept. 18, 1989. ; Judith Miller, "Israel Says That Prisoner's Tale Links Arabs in US to Terrorism," The New York Times, Feb. 17, 1993, http://query.nytimes.com/gst/fullpage.html?res=9F0CEFDF133FF934A25751C0A965958260 (accessed April 6, 2008).
[4] Glenn Frankel, "Exiled Saudi is Dissident to Some, Terrorist to Others," Washington Post, July 7, 2004, http://www.washingtonpost.com/wp-dyn/articles/A29641-2004Jul5.html (accessed July 22, 2008).
[5] "Abdurahman Alamoudi Sentenced to Jail in Terrorism Financing Case," U.S. Department of Justice Press Release, Oct. 15, 2004, http://www.usdoj.gov/opa/pr/2004/October/04_crm_698.htm (accessed July 22, 2008).
[6] "Treasury Designates MiRA for Support to Al Qaida." U.S. Treasury Department Press Release, July 14, 2005, http://www.treas.gov/press/releases/js2632.htm (accessed May 8, 2006).
[7] United States Department of State, FOIA Documents, Case ID: 20070224, Dec. 10, 2007.

in 2001.[8] The Treasury Department has stated that there is "Substantial evidence documents the close relationship between (BIF Executive Director Enaam) Arnaout and Usama bin Laden, dating from the mid-1980s."[9]

- **The Case of Salam al-Marayati** – On January 28, 2002, the State Department invited Salam al-Marayati, founder and executive director of MPAC to speak at its Open Forum. During his speech, Marayati mentioned the need for dialogue, saying "Rashid Ghannoushi is an example of those who promote this need for dialogue between civilizations, not confrontations."[10] Ghannoushi was the head of Tunisia's banned Islamic fundamentalist Al-Nahda Party and was convicted by a Tunisian court of responsibility for a bomb blast that blew the foot off a British tourist.[11] Marayati has repeatedly justified the actions of Hizbollah before the Department of State invited him as a speaker. In November 1999, on *NewsHour with Jim Lehrer*, Marayati responded to accusations that he supports Hizbollah: "If the Lebanese people are resisting Israeli intransigence on Lebanese soil, then that is the right of resistance and they have the right to target Israeli soldiers in this conflict. That is not terrorism. That is a legitimate resistance. That could be called liberation movement, that could be called anything, but it's not terrorism."[12]

- **The Holy Land Foundation and USAID** - According to its website, the United States Agency for International Development (USAID) "supports long-term and equitable economic growth and advances U.S. foreign policy objectives by supporting: economic growth, agriculture and trade; global health; and, democracy, conflict prevention and humanitarian assistance."[13] Unfortunately, USAID belatedly discovered it had been providing financial aid to Hamas through the Holy Land Foundation for Relief and Development (HLF), a registered non-profit organization that is now being prosecuted for money laundering to Hamas. Finally, in 2000, Thomas R. Pickering, then-Undersecretary of State for Political Affairs, ordered HLF's registration with USAID terminated, because it was found that the relationship was "contrary to the national interests and foreign policy of

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[8] "Treasury Designates Benevolence International Foundation and Related Entities as Financiers of Terrorism," U.S. Treasury Department, Nov.19, 2002, http://treas.gov/press/releases/po3632.htm (accessed July 22, 2008).
[9] Ibid.
[10] "MPAC's Speech on Moderation at the State Department," Muslim Public Affairs Committee, Jan. 28, 2002, http://web.archive.org/web/20040507010021/http://www.mpac.org/popa_article_display.aspx?ITEM=178 (accessed July 22, 2008).
[11] Michael Binyon, "Britain Shuts Door on Fundamentalists," *The Times*, Jan. 5, 1996. Note: According to *The London Sunday Telegraph*, Ghannouchi was "rounded up with several thousand other opponents of the Tunisian government following an alleged plot to assassinate the country's president, Ben Ali, in 1991." See: Con Coughlin, "Senators fight to keep sheikh out of the US State Department told of Islamic fundamentalist's alleged links with terrorism," *Sunday Telegraph (London)*, May 22, 1994.
[12] Salam al-Marayati, "Muslims in America," *NewsHour with Jim Lehrer*, Nov. 24, 1999, Lexis-Nexis.
[13] "This Is USAID," USAID, http://www.usaid.gov/about_usaid/ (accessed July 17, 2008).

the United States."[14] HLF was charged in 2004 with funneling millions of dollars to Hamas.[15]

- **The State Department and the Palestinian American Research Center**- The Palestinian American Research Center (PARC) is an organization founded in 1998 which promotes Palestinian studies among students and scholars. PARC receives money and support from public and private sources – among them the State Department and the Department of Education.[16] The Council of American Overseas Research Centers (CAORC) itself receives money from the State Department's Bureau of Educational and Cultural Affairs, which it then passes along to "member centers" to carry out their respective missions.[17] PARC fellows have used their positions blame the increase in violence after the second Palestinian *Intifada* solely upon the Israelis, blaming "four [Israeli] countermeasures: polices resulting in civilian casualties and property loss, closure of the West Bank and Gaza Strip, policies targeting Palestinian Authority infrastructure and functioning, and extrajudicial killings,"[18] and there are multiple examples in which PARC fellows condemn Israeli actions in an unbalanced, bigoted manner and promote the idea of one-sided Israeli aggression – particularly the concept of the Palestinian *nakba*, or "catastrophe."[19]

- **The International Visitor Leadership Program (IVLP)** - On various occasions over the past ten years, the IVLP has partnered with Islamist organizations in the U.S., such as the Council on American-Islamic Relations (CAIR). In a program arranged by Meridian International Center, a delegation of nine Danes met with CAIR-Chicago representatives at the affiliate's Chicago office.[20] Among the group was CAIR-Chicago's Executive Director, Ahmed Rehab. The Chicago area, home to the Bridgeview Mosque and the Islamic Association for Palestine (the Hamas-linked CAIR precursor organization), has a substantial Hamas presence, and Rehab and CAIR-Chicago are often among the loudest voices in defense and support of local Hamas operatives and other Islamists. CAIR-Chicago routinely implores its followers to appear in court for hearings and trials of Hamas-linked individuals.[21]

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[14] Letter from Thomas R. Pickering to J. Brady Anderson, Aug. 30, 2000, http://www.investigativeproject.org/documents/misc/42.pdf (accessed July 24, 2008).
[15] *U.S. v. Holy Land Foundation for Relief and Development, et al.*,, "Superseding Indictment," (N.D. TX Nov. 30, 2005), http://www.investigativeproject.org/documents/case_docs/75.pdf (accessed July 22, 2008).
[16] PARC mission, http://parc-us-pal.org/mission.htm (accessed on July 21, 2008).
[17] "About CAORC," Council of American Overseas Research Centers, http://www.caorc.org/about.html (accessed July 22, 2008).
[18] PARC mission, http://parc-us-pal.org/mission.htm (accessed on July 21, 2008).
[19] Note: *Al-Nakba*, "the catastrophe," is the day in which Israel became a state: May 15th. See: "Allan Researches Cultural Transmission in Lebanese Refugee Camps," PARC 2003 Fellowship Articles, http://parc-us-pal.org/fellowships/03-04/main.htm (accessed July 22, 2008).
[20] "CAIR-Chicago Meets with Delegation from Denmark," CAIR-Chicago Press Release, June 27, 2006, http://chicago.cair.com/ournews.php?file=on_denmark06272006 (accessed July 21, 2008).
[21] "Please Attend Muhammad Salah Trial Sentencing," CAIR-Chicago Action Alert, July 9, 2007, http://www.cairchicago.org/actionalerts.php?file=aa_salah_trial07092007 (accessed July 28, 2008).

- **The Citizen Exchange Program (CEP)** – In 2008, a grant from the Citizen Exchange Program was given to the National Peace Foundation (NPF) based in Washington D.C.[22] under the subject title of "Understanding Muslim Life in the United States." The goal of this project was to "improve the understanding of Muslim life in the United States for 24 Muslim scholars and clerics from Qatar, the United Arab Emirates, and Yemen, who come to the U.S. in two groups for two weeks each."[23] What was not mentioned is the fact that the NPF has conducting this project with the Islamic Society of North America (ISNA), and has been doing so under the Citizen Exchange Program since 2006.[24] It is scheduled to run through 2009.[25] ISNA, a Muslim Brotherhood-affiliated organization, was an unindicted coconspirator in last year's terrorist financing trial against the Holy Land Foundation in 2005.[26]

- **The Coordinator for Counterterrorism and IIIT** - In March 2006, Henry "Hank" Crumpton, Ambassador-at-Large and Coordinator for Counterterrorism at the State Department from August 2005 until February 2007, was the keynote speaker at a conference co-sponsored by the International Institute of Islamic Thought (IIIT) in Alexandria, VA, titled, "Muslims in America: Challenges, Prospects, and Responsibilities." IIIT is part of a complex corporate web of companies, charities and not-for-profit corporations known as the SAAR Network or the Safa Group, which has been under investigation since 2003. IIIT has been under grand jury investigation, which recently resulted in the indictment of Sami al-Arian – the convicted Palestinian Islamic Jihad operative – for criminal contempt.[27] In addition to this, recently declassified FBI documents identify leaders of IIIT and the SAAR Foundation "as being members of the Ikhwan Al-Muslimeen (Muslim Brotherhood),"[28] a global Islamist movement that seeks to establish an Islamic Caliphate spanning the entire Muslim world and Islamic (Sharia) law the sole basis of jurisprudence and governance. The documents also note that "all the subsidiary and sponsoring Muslim organizations under the control of the IIIT and the SAAR Foundation are in fact Ikhwan organizations."[29]

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[22] "Contact Us!," National Peace Foundation, 2008, http://www.nationalpeace.org/ht/d/sp/i/2953/pid/2953 (accessed July 22, 2008).
[23] "Grants By Theme: Faith and Community: 7 Projects," Bureau of Educational and Cultural Affairs, U.S. Department of State, 2008, http://exchanges.state.gov/education/citizens/professionals/themes/faith_community.htm (accessed July 22, 2008).
[24] "Faith and Community 2006 Grants," Bureau of Educational and Cultural Affairs, U.S. Department of State, 2008, http://exchanges.state.gov/education/citizens/professionals/themes/2006_faith.pdf (accessed July 22, 2008).
[25] "Citizen Exchange Project," Islamic Society of North America, 2008, http://www.isna.net/Interfaith/pages/Citizen-Exchange.aspx (accessed July 22, 2008).
[26] *U.S. v. Holy Land Foundation for Relief and Development, et al.*, "List of Unindicted Co-conspirators and/or Joint Venturers," (N.D. TX May 29, 2007), http://www.investigativeproject.org/documents/case_docs/423.pdf (accessed July 28, 2008).
[27] Larry O'Dell, "Jailed prof in terror case faces contempt charges," *Associated Press*, June 26, 2008, http://news.yahoo.com/s/ap/20080626/ap_on_re_us/attacks_professor (accessed July 22, 2008).
[28] Federal Bureau of Investigation, FOIA Documents, Case ID: 1111944-000, April 29, 2008.
[29] Ibid.

- **Former Undersecretary of State for Public Diplomacy and Public Affairs Karen Hughes and Islamist outreach** - In her role as Undersecretary of State, and since her resignation, Karen Hughes herself met with representatives of Muslim Brotherhood-linked groups, such as the Muslim Students Association (MSA), early in her tenure.[30] At about the same time, she also attended the September 2005 ISNA[31] national conference in Chicago, and held private meetings with organization leaders and delegates, [32] including representatives from the MSA.[33] In a token of thanks for her work with ISNA, on June 19, 2008 the Society held a recognition dinner "in honor of Ambassador Karen Hughes' continuous efforts with the Muslim American community and the Muslim community abroad."[34]

It is recommended that the State Department discontinue its cooperation with Islamist groups. Cooperation and collaboration with Islamist organizations and individuals only serve to legitimize fundamentalist Islamist voices as major, or even sole, representatives of the Muslim community in the United States and abroad. Additionally, partnership programs and alliances with Islamist groups increase the likelihood that a strict, Islamist interpretation of Islam, including support for terrorist groups and terrorist violence, will be dispersed and promoted throughout the American Muslim community.

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[30] Note: Medhi Alhassani, a senior at George Washington University and a Public Affairs Bureau intern, with whom the Undersecretary had met, was the president of the GWU MSA, and was later selected for several other State Dep't programs designed for "citizen dialogue" by US Muslims with Muslims around the world. See: Condoleezza Rice, "Remarks With Under Secretary for Public Diplomacy and Public Affairs Karen Hughes at Town Hall for Public Diplomacy," Washington, D.C., Sept. 8, 2005, http://www.state.gov/secretary/rm/2005/52748.htm (accessed July 28, 2008). ; "Muslim Americans Share Their Experiences With Muslim Communities Around the World," Bureau of Public Affairs, U.S. Department of State, July 7, 2006, http://www.state.gov/r/pa/ei/pix/usec/pdpa/pd2006/68722.htm (accessed July 28, 2008).

[31] Note: ISNA is an unindicted co-conspirator in the Hamas-financing trial against HLF. See: *U.S. v. Holy Land Foundation for Relief and Development, et al.*, "List of Unindicted Co-conspirators and/or Joint Venturers," (N.D. TX May 29, 2007), http://www.investigativeproject.org/documents/case_docs/423.pdf (accessed July 28, 2008).

[32] Amina El-Bishlawy, "State's Hughes Thanks North American Muslims for Hurricane Fund; Under secretary attends convention of Islamic Society of North America," *Washington File*, Sept. 2, 2005, http://usinfo.state.gov/xarchives/display.html?p=washfile-english&y=2005&m=September&x=20050902191136cpataruk0.5953791&t=xarchives/xarchitem.html (accessed July 28, 2008). ; Robin Wright, "Hughes Launches 9/11 Anniversary Image Campaign," *Washington Post*, Sept. 1, 2005, http://www.washingtonpost.com/wp-dyn/content/article/2005/08/31/AR2005083102599.html (accessed July 22, 2008). ; Michael Conlon, "U.S. official decries anti-Muslim hatred," *Reuters*, Sept. 2, 2005, Lexis-Nexis. ; Tara Burghart, "American Muslims Open Convention," *Associated Press*, Sept. 2, 2005, Lexis-Nexis.

[33] Amina El-Bishlawy, "State's Hughes Thanks North American Muslims for Hurricane Fund; Under secretary attends convention of Islamic Society of North America," *Washington File*, Sept. 2, 2005, http://usinfo.state.gov/xarchives/display.html?p=washfile-english&y=2005&m=September&x=20050902191136cpataruk0.5953791&t=xarchives/xarchitem.html (accessed July 28, 2008). ; Manya A. Brachear, "U.S. aide hails Muslim group; Bush diplomat lauds push against terror," *Chicago Tribune*, Sept. 3, 2005, Lexis-Nexis. ; "Briefing En Route Cairo, Egypt, Karen Hughes, Under Secretary for Public Diplomacy and Public Affairs," U.S. Department of State, Sept. 25, 2005, http://www.state.gov/r/us/2005/54023.htm (accessed July 22, 2008).

[34] "Karen Hughes Recognition Dinner," Islamic Society of North America, http://www.isna.net/articles/Interfaith-News/Karen-Hughes.aspx (accessed July 28, 2008).

II. Introduction

Through a long-standing investigation by the Investigative Project on Terrorism (IPT, a non-profit and non-partisan counter-terrorist public interest organization, www.investigativeproject.org) involving analysis of government documents obtained through public sources, interviews and requests under the Freedom of Information Act (FOIA), it has become clear that the policies of the State Department that govern grants, outreach, and engagement with Islamic organizations and individuals are deeply flawed. The State Department's policies have legitimized radical groups that otherwise would have been left to de-legitimize themselves until public dissent mandated that they change their policies. This investigation has uncovered various incidents of cooperation and collaboration between the State Department and Islamist organizations and/or officials openly affiliated with the Muslim Brotherhood and other fundamentalist Islamic movements. The State Department's pro-Islamist programs, such as the sponsorship of Islamists to speak to Muslim audiences around the world on behalf of the State Department, have literally allowed Islamist groups such as the Muslim Brotherhood to become the State Department's bridge to the Muslim world. This testimony will speak to some of the more troubling manifestations of these counterproductive, short-sighted and irresponsible State Department policies.

The issues discussed below speak to the need for strong new oversight to be exercised over State Department outreach to radical Islamic institutions in the United States and abroad. Whether instances of outreach to and/or cooperation with radical groups are a result of ignorance or anything else, current policies can only be characterized as irresponsible and dangerous. While the State Department's goal of reaching out to Islamic groups is an honorable and worthwhile pursuit, the State Department has conducted outreach to the wrong groups, sending a terrible message to moderate Muslims who are thoroughly disenfranchised by the funding, hosting, and embracing of radical groups that purport to be opposed to terrorism and extremism. Even a cursory examination of public and open sources regarding the Islamist groups the State Department has supported clearly demonstrates the radical origins and policies of these groups. The State Department's failure to conduct basic due diligence before becoming involved with each of these groups is deplorable.

III. The Curious Case of Abdulrahman Alamoudi

Abdulrahman Alamoudi was perhaps the most prominent Muslim in America for more than a decade. He was the founder and head of the American Muslim Council (AMC) and advised government officials – including Presidents Clinton and Bush – and started the Muslim chaplaincy program for the United States military. He was also a frequent partner with the State Department, having been sent abroad on the State Department's dime (totaling more than $40,000) at least two dozen times from 1992 to 2001 to speak to audiences around the world as America's Muslim face.[35] This arrangement all ended in 2004, when Alamoudi pleaded guilty to "three felony offenses: one count of violating the International Emergency Economic Powers Act (IEEPA) by traveling and engaging in

[35] United States Department of State, FOIA Documents, Case ID: 200701416, Dec. 18, 2007.

dealing with Libya; one count of false statements made in his application for naturalization; and a tax offense involving a long-term scheme to conceal from the IRS his financial transactions with Libya and his foreign bank accounts and to omit material information from the tax returns filed by his charities".[36] He also acknowledged that he was involved with two Al Qaeda-linked agents in a colorful plot manufactured by Libyan leader Muammar Gaddafi to assassinate then-Saudi Prince Abdullah.[37]

Long before any of this came to light, Alamoudi got his start in the public sphere as acting president of the Muslim Students Association (MSA) National (1982-1983),[38] Founder and President of the American Muslim Foundation (AMF) (1990),[39] Regional Representative for the Washington DC-area for the Islamic Society of North America (ISNA) (1986-1990),[40] and Member of the Executive Committee of the Islamic Society of Boston.[41] However, his true rise to prominence came with the founding of his greatest legacy, the American Muslim Council (AMC), in 1990,[42] the purpose of which, ostensibly, was to lobby politicians on behalf of Muslims in the United States. In addition to its other work, the AMC and AMF, and more specifically, Alamoudi, became involved with the selection of Muslim chaplains for the U.S. military through the American Muslim Armed Forces and Veterans Affairs Council (AMAFVAC), which Alamoudi co-founded in 1991.[43]

Alamoudi's work did not end there. Though serving as an Islamic advisor and "roving 'Goodwill Ambassador' to the United Nations"[44] for the Clinton Administration, Alamoudi also had a long history of links to terrorist organizations. From 1994 to 1999 he served as Director for the United Association for Studies and Research (UASR), based in Springfield, Virginia.[45] UASR has numerous links to Hamas and was co-founded by Hamas leader Mousa Abu Marzook.[46] Hamas operative Mohammed Salah referred to UASR as "the political command" of Hamas in the United States.[47]

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[36] U.S. Announces Plea in Terrorism Financing Case," Department of Justice Press Release, July 30, 2004, http://www.fbi.gov/dojpressrel/pressrel04/alamoudi073004.htm (accessed April 7, 2008).
[37] Glenn Frankel, "Exiled Saudi Is Dissident to Some, Terrorist to Others," *Washington Post*, July 7, 2004, http://www.washingtonpost.com/wp-dyn/articles/A29641-2004Jul5.html (accessed July 28, 2008).
[38] Resume of Abdurahman M. Alamoudi, 2.
[39] Abdurahman Alamoudi, Guest CV, IslamOnline.net, http://www.islamonline.net/livedialogue/english/Guestcv.asp?hGuestID=7he3oT (accessed Aug. 13, 2007).
[40] Ibid. ; Resume of Abdurahman M. Alamoudi, 1.
[41] Islamic Society of Boston, IRS Form 1023, 1983.
[42] American Muslim Council, IRS Form 1024, 1990. ; Abdurahman Alamoudi, Guest CV, IslamOnline.net, http://www.islamonline.net/livedialogue/english/Guestcv.asp?hGuestID=7he3oT (accessed Aug. 13, 2007).
[43] Dr. Michael Waller, United States Senate Judiciary Committee Subcommittee on Terrorism, Technology and Homeland Security, "Terrorist Recruitment and Infiltration in the United States: Prisons and Military as an Operational Base," 108th Cong., 1st sess., Oct. 14, 2003, http://judiciary.senate.gov/testimony.cfm?id=960&wit_id=2719, (accessed April 6, 2008).
[44] Shawn Macomber, "Eyes Wide Shut," *The American Spectator*, Dec. 17, 2003, Lexis-Nexis.
[45] United Association for Studies and Research, IRS Form 990, 1994, 1995, 1996, 1997, and 1998.
[46] Articles of Incorporation, United Association for Studies and Research, Secretary of State for the State of Illinois, Sept. 18, 1989.
[47] Judith Miller, "Israel Says That Prisoner's Tale Links Arabs in US to Terrorism," *The New York Times*, Feb. 17, 1993,

As the moderate guise that he had so carefully crafted began to fall apart, the pieces of the Alamoudi puzzle began to come together. Alamoudi's résumé indicated that he served simultaneously as an executive assistant to the president of SAAR[48] and as an officer[49] of the Success Foundation, a sister organization of the International Islamic Relief Organization (IIRO) in Virginia.[50] IIRO's Virginia office has contributed to other charities suspected or convicted of financing terror, including contributions to the Holy Land Foundation for Relief and Development (HLF),[51] and the Taibah International Aid Association.[52] The Bosnian Branch of Taibah International was named a Specially Designated Global Terrorist on May 6, 2004, for financing Al Qaeda.[53] Alamoudi served as Vice President of Taibah International in 1999.[54] German police files also show that Alamoudi had meetings in the fall of 2000 with Mohammed Belfas, an elder from the Islamic community in Hamburg who had ties to many of the 9/11 hijackers and who had shared an apartment with the suspected "20th hijacker," Ramzi bin al Shibh.[55]

The Alamoudi tale also took on an added dimension once the U.S. Treasury Department found that Alamoudi had raised money for the Al Qaeda-tied Movement for Islamic Reform in Arabia (MIRA) Foundation in the United Kingdom. Authorities at the Treasury noted that his arrest "was a severe blow to al Qaida, as Alamoudi had a close relationship with al Qaida and had raised money for al Qaida in the United States."[56]

Once thought by many in the highest echelons of government to be the moderate Muslim partner they had long sought, Alamoudi proved in the end to be something very different. While the State Department was not the only part of the U.S. government that failed to see Alamoudi for what he was, these other segments of the government are not the subject of this testimony. Also, the State Department has arguably continued to be the most naïve of all government departments. It would be reasonable to think that after Alamoudi's deceptions had been revealed, the State Department would review its policies concerning its partners in outreach. While there is no evidence that the State Department is partnering with any terrorist operatives like Alamoudi, the department continues to rely on Islamists in all manners of outreach.

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http://query.nytimes.com/gst/fullpage.html?res=9F0CEFDF133FF934A25751C0A965958260 (accessed April 6, 2008).

[48] FOIA Document, Abdurahman M. Alamoudi curriculum vitae.

[49] Success Foundation IRS Form 990, 1999 and 2000. (showing Alamoudi as secretary)

[50] Success Foundation IRS Form 990, 2000, line item 80. (showing IRO as related organization)

[51] International Relief Organization, Inc., IRS Form 990, 1996,1997.

[52] International Relief Organization, Inc., IRS Form 990, 1995,1996.

[53] "Treasury Designates Bosnian Charities Funneling Dollars to Al Qaida." U.S. Department of the Treasury press release, May 6, 2004, http://www.ustreas.gov/press/releases/js1527.htm (accessed Jan. 24, 2006).

[54] Taibah International IRS Form 990, 1999.

[55] Michael Isikoff and Mark Hosenball, "Terror Watch: Who, and What, Does He Know?" *Newsweek*, Oct. 1, 2003, updated Oct. 24, 2007, http://www.newsweek.com/id/61577 (accessed July 25, 2008).

[56] "Treasury Designates MIRA for Support to Al Qaida." U.S. Treasury Department Press Release, July 14, 2005 http://www.treas.gov/press/releases/js2632.htm (accessed May 8, 2006).

IV. Islamist Speakers Sponsored by the State Department

Through a careful review of public source information and documents obtained through the Freedom of Information Act, the IPT has found that the State Department continues to fund Islamists to speak on behalf of the United States at venues around the world – even after Alamoudi's 2004 conviction. After reading the accounts of the speakers listed below that the State Department sends abroad to speak on behalf of the United States and/or to further the foreign policy interests of the United States, it becomes clear that the State Department often chooses counterproductive speakers.

A. Yahya Hendi

From the end of 2003 to the beginning of 2007, the State Department spent $178,144 on events featuring Yahya Hendi abroad, across Africa, Europe, and South Asia.[57] Hendi is the Muslim chaplain at Georgetown University and at the National Naval Medical Center, Bethesda, the Imam of the Islamic Society of Frederick, a member and the Spokesman of the Islamic Jurisprudence Council of North America, and Director of the Public Education and Assistance Conference (PEACE). Mr. Hendi has managed to build a reputation as a moderate, but his ties to Islamist organizations discredit him as a true moderate.

The conference for which he serves as director, PEACE,[58] is run by the Muslim American Society (MAS), an organization with strong ties to the Muslim Brotherhood. MAS was founded as the United States chapter of the Muslim Brotherhood, the international Islamist, anti-Western organization whose goal is the "introduction of the Islamic Shari'ah as the basis of controlling the affairs of state and society.[59]

Hendi also agreed to testify as a character witness on behalf of Sami Al-Arian, a man who has pled guilty to one count of "Conspiracy to make or receive contributions of funds, goods or services to or for the benefit of the Palestinian Islamic Jihad (PIJ)," a Specially Designated Terrorist.[60] During that hearing, Hendi refused to characterize the PIJ as a terrorist organization, answering prosecutor Cherie Krigsman question by saying: "I believe [the PIJ] is an organization made by Palestinians… dedicated to ending the occupation of the Palestinian territories."[61]

When pressed a few moments later, Hendi admitted that he knew the PIJ was a designated terrorist organization and that the PIJ had conducted suicide bombings in the

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[57] United States Department of State, FOIA Documents, Case ID: 20070224, Dec. 10, 2007.
[58] "Biography of Imam Yahya Hendi," http://www.usembassy.at/en/embassy/photo/hendi_bio.htm (accessed July 28, 2008).
[59] "The Principles of The Muslim Brotherhood," The Muslim Brotherhood (Ikhwan) Official English Website, June 8, 2006, http://www.ikhwanweb.com/Home.asp?zPage=Systems&System=PressR&Press=Show&Lang=E&ID=4584 (accessed Nov. 20, 2006).
[60] *U.S. v. Sami al-Arian*, 03-Cr-77, "Clerk's Minutes," at 8:30am (M.D. FL Mar. 25, 2003).
[61] Ibid.

past. When asked by Krigsman "If suicide bombing operations are sanctioned by the Koran," Hendi simply answered, "Yes."[62]

Additionally, Hendi served as a moderator for a Benevolence International Foundation (BIF) fundraiser for Chechnya at the Muslim Community Center in Silver Spring, Maryland in January 2000. The following year, the U.S. Department of Treasury designated BIF as a financier of terrorism for supporting Al Qaeda.[63] Yet at the 2000 fundraiser, Hendi made several radical comments implying that the use of violence is sanctioned by Islam to glorify Allah:

> "Allah who says in the Qur'an (Arabic). Allah who gave the glad tidings to the Prophet and the companions, they the unbelievers plan and plot against Islam. Allah, too, also plans; and Allah is the best planner."[64]

At this same event, Hendi continued, that those who are fighting for Allah will get the same reward as those who give money to the fighters in Chechnya through the fundraiser:

> "So, brothers and sisters, it's not about saying the prayer as Muslims, it's about acting accordingly. It's not about (microphone rings loudly) ... our brothers and sisters in Chechnya, it's about giving ourselves for Allah and for His Messenger."

He continued in his address to tell the story about the Battle of Tabuk telling them that those who stay behind from the battlefront will receive the same reward as those who are doing the actual fighting in the battle:

> "Why? We are the ones who are sacrificing ourselves, our persons, why would they get the ujur [reward] that we get? [The Prophet asks them] Why did they stay behind? The Sahaba said, so that they may take care of our homes and to provide us with our needs here in the battlefield. The Prophet said and that puts them and you in the same rank."
>
> "So, yes, those brothers and sisters have sacrificed themselves, their homes, their wealth for Allah; but those who are gonna give tonight will get the same ujur [reward] insha Allah."[65]

Additionally, Hendi worked for the Council on American Islamic Relations (CAIR) for a year recruiting for its many chapters, as he himself stated at a roundtable discussion

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[62] Ibid.
[63] "Treasury Designates Benevolence International Foundation and Related Entities as Financiers of Terrorism," U.S. Treasury Department, Nov. 19, 2002, http://treas.gov/press/releases/po3632.htm (accessed July 28, 2008).
[64] Audio, Yahya Hendi, "Chechnya Fundraising Dinner" Benevolence International Foundation, Muslim Community Center, Silver Spring, MD, Jan. 22, 2000.
[65] Ibid.

sponsored by the Center for Strategic and International Studies in 2003.[66] On December 29, 1996 Yahya Hendi addressed an Islamic Association for Palestine (IAP) conference on behalf of CAIR.[67] IAP has long been a central player in Hamas' US support network while CAIR's future founders controlled IAP. A 2001 INS memo extensively documented IAP's support for Hamas and noted that the "facts strongly suggest" that IAP is "part of Hamas' propaganda apparatus."[68] Though Hendi downplayed his relationship with CAIR during that same 2003 roundtable conference, he had expressed great support for CAIR during his time with them. In 1997, Hendi praised CAIR for suing Nike because the word "Air" on one line of Nikes seemed to read "Allah," saying the CAIR "forced Nike to submit to the will of Allah and then to the will of the Muslim community."[69]

Founded in 1994, CAIR was incorporated by three leaders of the Islamic Association for Palestine (IAP) -- Nihad Awad, Omar Ahmad, and Rafeeq Jaber.[70] Mousa Abu Marzook, the current deputy political chief of Hamas, served on the board of directors of IAP in 1989 and provided the group with $490,000.[71] IAP, which is now defunct, was a central player in Hamas' U.S. support network while CAIR's future founders controlled IAP. A 2001 INS memo extensively documented IAP's support for Hamas and noted that the "facts strongly suggest" that IAP is "part of Hamas' propaganda apparatus."[72] CAIR was named an unindicted co-conspirator in the 2007 HLF case, listed among the other entities that were part of the Palestine Committee, which prosecutors say was created by the Muslim Brotherhood in the United States to support Hamas. In response to a CAIR brief aimed at removing its co-conspirator status, federal prosecutors said that "will not prevent its conspiratorial involvement with HLF, and others affiliated with Hamas, from becoming a matter of public record."[73]

CAIR incorporator and current executive director Nihad Awad has publicly expressed his support for Hamas. At a symposium at Barry University in Florida on March 22, 1994, he said, "I am in support of the Hamas movement."[74] Again, on CBS' *60 Minutes* in

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[66] Audio, Yahya Hendi, "From Guantanamo Bay to General Boykin," Center for Strategic and International Studies Conference, Washington D.C., Nov. 5, 2003.

[67] Yahya Hendi" Islamic Association for Palestine Annual Convention" Rosemont, Illinois, December 29, 1996.

[68] "In the matter of Hasan Faisal Yousef Sabri, Notice of Revocation of petition for Amerasian, Widow, or Special Immigrant," Attachment (Form I-360).

[69] Yahya Hendi, "Muslims in America: Survival to Success," Islamic Society of Central Florida in Orlando, 1997.

[70] "Articles of Incorporation, Council on American-Islamic Relations," Sept. 15, 1994.

[71] *Ila Filastin*, Feb. 1989, p. 27. ; "In the matter of Hasan Faisal Yousef Sabri, Notice of Revocation of petition for Amerasian, Widow, or Special Immigrant," Attachment (Form I-360).

[72] "In the matter of Hasan Faisal Yousef Sabri, Notice of Revocation of petition for Amerasian, Widow, or Special Immigrant," Attachment (Form I-360).

[73] *U.S. vs. Holy Land Foundation for Relief and Development, et al.*, 3:CR240, "Government's Memorandum in Opposition to Council on American-Islamic Relation's Motion for Leave to File a Brief *Amicus Curiae Instanter* and *Amicus Brief* in Support of the Unindicted Co-Conspirators' First and Fifth Amendment Rights" (N.D. TX Sept. 4, 2007).

[74] Video transcript, "Conference on the Middle East – The Road to Peace: The Challenge of the Middle East," Barry University, Miami Shores, FL, Mar. 22, 1994, 2. For video see: http://www.investigativeproject.org/article/223 (accessed July 28, 2008).

November 1994, when Mike Wallace asked him what he thought "of the military undertakings of Hamas," Awad responded, "the United Nations Charter grants people who are under occupation [the right] to defend themselves against illegal occupation."[75]

CAIR has sponsored incendiary events and conferences, which have included calls for violent *jihad* and virulent anti-Semitism. On May 24, 1998, CAIR co-sponsored a rally organized by the IAP at Brooklyn College in New York.[76] The Brooklyn College event featured Egyptian cleric, Wagdi Ghuneim, who told the audience: "He who equips a warrior of *Jihad* is like the one who makes *Jihad* himself." Ghuneim also led the gathering in a song with the lyrics: "No to the Jews, descendants of the apes."[77]

In the aftermath of 9/11, CAIR solicited funds for HLF, which was shut down by the Treasury Department on December 4, 2001[78] and is currently under indictment by the Department of Justice for a conspiracy to funnel millions of dollars to Hamas.[79] The appeal, titled "what you can do for the victims of the WTC and Pentagon attacks," appeared on CAIR's website for over a month[80] and urged people to donate to HLF.[81]

B. Ahmed Younis

Ahmed Younis was formerly an official with the Muslim Public Affairs Council (MPAC; for information on MPAC, see the below section on "Islamist Outreach in Belgium"). In just seven months in 2006, the State Department spent $25,000 on events featuring Mr. Younis in Malaysia, Tajikistan, Kyrgyzstan, and Turkmenistan.[82] Mr. Younis is listed as the only "grantee" on the FOIA documents relating to these events.[83] At an MPAC sponsored event in 2002, Mr. Younis said:

> The nature of Islam, unlike the nature of Judaism and Christianity, and I say that with trepidation and in worry of offense and I don't mean offense but the nature of Islam is one of inclusion, the nature of Christianity and Judaism is one of exclusion as it has come to light today...And I think the problem is that we don't really have an opportunity to be sitting on our chairs and not doing anything, like unfortunately what we see and what the leadership organizations that we are affiliated with see is the average American Muslim, if not the average Muslim

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[75] "60 Minutes," CBS, Nov. 13, 1994.
[76] MSA News, "Subject: IAP: "50 Years of Occupation" - New York Evening Program," May 23, 1998, http://www.investigativeproject.org/redirect/IAP-50-Years-of-Occupation-New-York-Evening-Program.pdf (accessed July 28, 2008).
[77] Audio, "IAP Rally," (acquired May 24, 1998).
[78] "Shutting Down the Terrorist Financial Network," U.S. Treasury Department, Dec. 4, 2001, http://www.ustreas.gov/press/releases/po841.htm (accessed July 22, 2008).
[79] *U.S. v. Holy Land Foundation for Relief and Development, et al.*, "Superseding Indictment," (N.D. TX Nov. 30, 2005), http://www.investigativeproject.org/documents/case_docs/75.pdf (accessed July 22, 2008).
[80] CAIR website, Sept. 17, 2001, http://web.archive.org/web/20010917013636/http://cair-net.org (accessed July 22, 2008). ; CAIR website, Oct. 31, 2001, http://web.archive.org/web/20011031190542/http://www.cair-net.org/ (accessed July 28, 2008).
[81] CAIR website, http://web.archive.org/web/20010925192044/http://www.cair-net.org/ (accessed Sept. 3, 2004).
[82] United States Department of State, FOIA Documents, Case ID: 20070224, Dec. 10, 2007.
[83] Ibid.

> internationally, is adopting the arrogance of the Jew, and the blind faith of a Christian.[84]

MPAC has a terrible track record in regards to fighting extremism and terrorism. Founded in 1988, MPAC has consistently opposed U.S. government efforts to shut down terrorist financiers including the Holy Land Foundation (HLF), the Benevolence International Foundation (BIF), and the Global Relief Foundation (GRF).[85] MPAC chose to divert attention from the seriousness of the flow of terrorist finances through these organizations by claiming the measures taken against the above organizations "bare [sic] strong signs of politicization" on behalf of the U.S.[86] Additionally, MPAC has downplayed the terrorist threat. For example, an MPAC paper on counterterrorism policy questioned "..whether alleged terror plots, such as those in Seattle, Buffalo, Portland, and Detroit, actually posed threats as serious as the government initially claimed them to be..."[87]

Even more alarming, MPAC and its leaders have publicly challenged the designation of Hizbollah and Hamas as terrorist organizations. In 2003, an MPAC paper on counterterrorism again attempted to divert attention from terrorism to politics claiming that "The [U.S.'s] preoccupation with [Hamas and Hizbollah] raises the question as to whether targeting Palestinian groups serves true national security interest or is based on political considerations."[88]

In addition to statements made by the group as a whole, MPAC's leaders, such as co-founder Maher Hathout, have made extreme statements defending terrorist organizations. At a speech at the National Press Club in 1998, Hathout claimed that "Hizbollah is fighting for freedom, an organized army, limiting its operations against military people, this is a legitimate target against occupation. The whole country keeps condemning Hizbollah; I disagree with them on other issues, but on the issue of fighting to liberate their land and attacking only armed forces, this is legitimate, this is an American value-freedom and liberty."[89]

Additionally, MPAC's leaders have made radical statements, at conferences at which government officials have been present, concerning the Israeli-Palestinian conflict that echo the sentiments of radical Islamists. On December 15, 2005, Bruce Sherman of the State Department's Broadcasting Board of Governors spoke at MPAC's Annual Convention in Long Beach, California. Alina Romanowski, Deputy Assistant Secretary of State Office of Professional and Cultural Exchanges Bureau of Educational and

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[84] "Struggle in the Muslim World," MPAC event, Irvine, California, July 14, 2002.
[85] "Bin Laden's Recent Tape on Iraq: Does Iraq Have Linkage to al-Qaeda?" Interview with Aslam Abdullah, February 15, 2003, http://www.islamonline.net/livedialogue/english/Browse.asp?hGuestID=tG7cB1 (accessed May 23, 2006).
[86] "A Review of U.S. Counterterrorism Policy: American Muslim Critique & Recommendations," MPAC, Sept. 2003, http://www.mpac.org/bucket_downloads/CTPaper.pdf (accessed July 12, 2004), p. 55.
[87] Ibid.
[88] Ibid.
[89] Maher Hathout, "Afternoon Newsmakers," Speech at the National Press Club, Washington D.C., June 18, 1998.

Cultural Affairs, spoke at the same convention. At that convention, one speaker made the radical comment that Iran's problems are all due to the fact that "they are resisting the Zionist occupation of Palestine."[90] In this instance, the State Department's attendance without speaking out against such statements validates the espousing of radical viewpoints by MPAC's speakers. MPAC's poor record when it comes to speaking out against terrorism disqualifies MPAC's leaders from being good candidates for cooperation with the U.S. government in order to reach out to the Muslim community.

C. Aly Abuzaakouk

Aly Abuzaakouk, the former executive director of the American Muslim Council (AMC), is the former director of publications at the International Institute of Islamic Thought (IIIT, for more information see below section on "The Coordinator for Counterterrorism and IIIT").[91] IIIT is part of a complex corporate web of companies, charities and not-for-profit corporations known as the SAAR Network, or the Safa Group, which has been under investigation since 2003. IIIT has been under grand jury investigation in Northern Virginia, which recently resulted in the indictment of Sami Al-Arian – the convicted Palestinian Islamic Jihad operative – for criminal contempt.[92] Abuzaakouk was the President of the Board of Directors of the United Association for Studies and Research (UASR).[93] Nabil Sadoun, currently on CAIR's board and chair of CAIR-Texas, founded UASR with Mousa Abu Marzook, the Hamas deputy political chief currently based in Damascus. Internal records show the UASR was a founding member of the Muslim Brotherhood's Palestine Committee in America.

Mr. Abuzaakouk has served as an Ambassador for Goodwill for the U.S. State Department. Abuzaakouk's tenure at AMC coincided with Alamoudi's, who founded the organization. This casts the State Department's choice of Mr. Abuzaakouk as a Goodwill Ambassador in an interesting light. In just two months in 2007, the State Department spent $1600 to send him to Ghana to talk about Islam and American politics.[94] Mr. Abuzaakouk is listed as the only "grantee" on the FOIA documents relating to this travel arrangement.[95]

D. Hibba Abugideiri

In a two year period from 2004-05, the State Department spent $49,114 for events featuring Hibba Abugideiri around the world in countries like Italy, Azerbaijan, and Tanzania.[96] She was the only mentioned "grantee" on related FOIA documents.[97] Ms.

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[90] Sayed Moustafa Al-Qazwini, Muslim Public Affairs Council Convention, Long Beach, CA, Dec. 15, 2005.
[91] "Aly R. Abuzaakouk, Guest CV," IslamOnline.net, http://www.islamonline.net/livedialogue/english/Guestcv.asp?hGuestID=OVzzHu (accessed July 22, 2008).
[92] Larry O'Dell, "Jailed prof in terror case faces contempt charges," *Associated Press*, June 26, 2008, http://news.yahoo.com/s/ap/20080626/ap_on_re_us/attacks_professor (accessed July 22, 2008).
[93] UASR, Corporate Annual Report, 1997.
[94] United States Department of State, FOIA Documents, Case ID: 20070224, Dec. 10, 2007.
[95] Ibid.
[96] Ibid.
[97] Ibid.

Abugideiri served as the former National Secretary for Muslim Youth of North America (MYNA), an organization affiliated with the Islamic Society of North America (ISNA).[98] ISNA was named by the U.S. Department of Justice as an unindicted co-conspirator in the 2007 Holy Land Foundation terrorist financing case (For more on ISNA, see below section, "Islamist Outreach in Belgium).[99] Abugideiri also served as Assistant Editor of the American Journal of Islamic Social Sciences, an interdisciplinary journal published in part by IIIT. (see above for more information on IIIT as well as section entitled "The Coordinator for Counterrorism and IIIT).[100]

E. Zahid H. Bukhari

The State Department spent over $60,000 from 2004 to 2007 on events around the world featuring Dr. Zahid H. Bukhari.[101] From 1990-1995, he served as Secretary General of the Islamic Circle of North America (ICNA).[102] Dr. Bukhari was also Chairman of the ICNA Relief/Helping Hand, a not-for-profit relief organization, which operates national and international projects.[103]

The Islamic Circle of North America (ICNA) is an Islamist organization which was founded to serve South Asian immigrant Muslims (Pakistani, Indian, and Bangladeshi) living in the United States. Its ideology is that of Jamaat-i-Islami, a historically extremist movement operating for decades in Pakistan and Bangladesh, with a program calling for an Islamist revolution and establishment of an Islamist state in Pakistan.[104]

The goal of ICNA on U.S. territory is basically the same as in Pakistan: An introductory pamphlet published and distributed by ICNA declares that its aim is to "achieve the pleasure of Allah through the establishment of the Islamic system in this land."[105] ICNA further states on its website that it intends "to seek the pleasure of Allah (SWT [God almighty]) through the struggle of Iqamat-ud-Deen (establishment of the Islamic system of life) as spelled out in the Quran and the Sunnah [Qur'an plus hadith, the oral sayings and actions] of Prophet Mohammed (pbuh [peace be upon him]))."[106] The first part of ICNA's program is "[t]o invite mankind to submit to the Creator by using all means of communications"[107] -- that is, to aggressively proselytize for Islam in the non-Muslim

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[98] Nadifa Abdi, "MYNA Moves," *Islamic Horizons*, Feb. 1988, p. 16-17.
[99] *U.S. v. Holy Land Foundation for Relief and Development, et al.*, "List of Unindicted Co-conspirators and/or Joint Venturers," (N.D. TX May 29, 2007.) http://www.investigativeproject.org/documents/case_docs/423.pdf (accessed July 22, 2008).
[100] "Meet Our Faculty & Staff," Villanova University, http://www.villanova.edu/artsci/history/faculty.htm?mail=hibba.abugideiri@villanova.edu (accessed July 18, 2008).
[101] United States Department of State, FOIA Documents, Case ID: 20070224, Dec. 10, 2007.
[102] Philippa Strum and Danielle Tarantolo, eds., *Muslims in the United States*, Woodrow Wilson International Center for Scholars, June 18, 2003, p. 205.
[103] "Muslims in the Post 9-11 Era," Project MAPS, http://www.projectmaps.com/investigators.htm (accessed June 15, 2003).
[104] "The Type of Resolution in Sight," Jamaat-e-Islami Pakistan, http://www.jamaat.org/qa/sight.htm (accessed July 7, 2004).
[105] ICNA, "Islamic Circle of North America: An Introduction," Brochure.
[106] "ICNA Introduction," http://www.icna.com/ICNA, (accessed June 30, 2006).
[107] "ICNA Introduction," http://www.icna.com/ICNA, (accessed July 7, 2004).

community of the United States, while also imposing its version of Islam on those who already are Muslims.

ICNA identifies "Dawah: Inviting Mankind to Submit to the Creator" as "*The top priority of ICNA" [emphasis in original], and lists conversion efforts among* "expectations from all members… as follows: Spend a minimum of 4 hours a month on any of the following: Dawah to non Muslim (Dawah Field Trip, Prison dawah Trip, Dawah Response through Mail or Phone)."[108]

ICNA has co-sponsored a jihadist event with virulently anti-Semitic rhetoric and has called for a world-wise Islamic revolution. On May 24, 1998, ICNA co-sponsored a rally organized by the Islamic Association for Palestine (IAP) at Brooklyn College in New York.[109] The Brooklyn College event featured Egyptian cleric, Wagdi Ghuneim who told the audience: "He who equips a warrior of Jihad is like the one who makes Jihad himself." Ghuneim also led the gathering in a song with the lyrics: "No to the Jews, descendants of the apes."[110]

The March 1991 issue of The Message International contained the following passage calling for jihad and a world-wide Islamic revolution, written by ICNA's President, Dr. Muhammad Yunus:

> "…the ultimate purpose of Jihad is to establish an Islamic system of government and to establish the truth of Islam in state and society. An endeavor that is not restricted to certain countries but the ultimate goal is to establish Islam all over the world and to bring about a world Islamic revolution, because the message of Islam is for all mankind."[111]

ICNA's extremist ties weaken Bukhari's legitimacy as a moderate voice.

F. Edina Lekovic

In September 2006, the State Department sent MPAC Communications Director Edina Lekovic to Kyrgyzstan to speak about Muslim life in America (for information on MPAC, see the below section on "Islamist Outreach in Belgium"). [112]

Lekovic is also the managing editor of The Minaret, a magazine that serves as an MPAC outlet published out of the Islamic Center of Southern California. While in school at UCLA, Ms. Lekovic served as the managing editor of *Al-Talib*, the magazine for the

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[108] Ibid.

[109] MSA News, "Subject: IAP: "50 Years of Occupation" - New York Evening Program," May 23, 1998, http://www.investigativeproject.org/redirect/IAP-50-Years-of-Occupation-New-York-Evening-Program.pdf (accessed July 28, 2008).

[110] Audio, "IAP Rally" (acquired May 24, 1998).

[111] Dr. Muhammad Yunus, "*Jihad* in Islam." *The Message International,* March 1991, (writing as President of ICNA)

[112] United States Department of State, FOIA Documents, Case ID: 20070224, Dec. 10, 2007.

UCLA chapter of the Muslim Students Association (MSA), and as the editor-in-chief of the *Daily Bruin*, UCLA's student newspaper.[113]

In an issue of in *Al-Talib* for which Lekovic was listed as a "managing editor," the editorial stated:

> When we hear someone refer to the great Mujahid (someone who struggles in Allah's cause), Osama bin Laden as a "terrorist," we should refer to him as a freedom fighter, someone who has forsaken wealth and power to fight in Allah's cause and speak out against oppressors.[114]

This endorsement of bin Laden as a "freedom fighter," was well after it was publicly known that his terrorist network, al Qaeda, was behind the 1998 bombings at US embassies in Africa. Ms. Lekovic has denied that she had anything to do with this issue and that the listing of her name on the issue was a printing error. However, a subsequent investigation discovered a dozen issues of Al-Talib for which Ms. Lekovic was either an author, editor, or received "special thanks." That is quite a lot of printing errors.

This sort of behavior followed Lekovic to her post as managing editor of *The Minaret*. The cover of the May 2002 issue of *The Minaret* shows a snake with the words "Axis of Evil; The United States, Israel, and Arab Governments."[115]

In a debate at the Los Angeles Press Club in May of 2006 – just months before the State Department sent her abroad – over the Danish cartoons depicting the Prophet Mohammed, Lekovic described the death sentence[116] imposed on author Salman Rushdie by Iran's late Ayatollah Khomeini as "misunderstood:"

> [T]ake for example the Salman Rushdie case in which there was a *fatwa*, which has been misunderstood as a death sentence, but from a simple Arabic to English translation, simply means a religious opinion; a non binding religious opinion. We are dealing with not a clash of civilizations, but a clash of ignorance, because when people don't understand what words mean they can throw around definitions of their own making and use, and wield those as weapons."[117]

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[113] Biographies of Participants, MPAC Convention, 2001.
[114] "Jihad in America: Maintaining an Islamic Identity in an un-Islamic Environment," *Al-Talib*: The Mnslim Newsmagazine at UCLA, Vol. 9, Iss. 6, July 1999, p. 3.
[115] Cover, *The Minaret*, May 2002.
[116] Note: Khomeini offered $2.6 million for any Iranian or $1 million for any foreigner who would assassinate Rushdie. The fatwa stated: "I inform the proud Muslim people of the world that the author of the Satanic Verses book which is against Islam, the Prophet, and the Koran, and all those involved in its publication who were aware of its content, are **sentenced to death**. I ask all the Muslims to execute them wherever they find them." [emphasis added]
[117] Audio, "Danish Cartoons and Censorship Debate," Los Angeles Press Clnb, May 11, 2006.

V. State Department's Islamist Advisors

The State Department has also invited Islamists to speak to its own personnel. For example, on January 28, 2002, the Department of State invited Salam al-Marayati, founder and executive director of MPAC (for information on MPAC, see section, "Islamist Outreach in Belgium"), to speak at its Open Forum. During his speech, Marayati mentioned the need for dialogue, saying "Rashid Ghannoushi is an example of those who promote this need for dialogue between civilizations, not confrontations."[118] Who is Rashid Al Ghannoushi? He was the head of Tunisia's banned Islamic fundamentalist Al-Nahda Party and was convicted by a Tunisian court of responsibility for a bomb blast that blew the foot off a British tourist.[119]

On the day of the devastating terrorist attacks on September 11, 2001, Marayati stated on KCRW-FM's "Which Way, LA?" that "we should put the State of Israel on the suspect list":

> If we're going to look at suspects, we should look to the groups that benefit the most from these kinds of incidents, and I think we should put the state of Israel on the suspect list because I think this diverts attention from what's happening in the Palestinian territories so that they can go on with their aggression and occupation and apartheid policies.[120]

But there are many statements that Marayati had made previously that the State Department should have known about, and that should have given them pause before inviting him to speak. For example, in November 1999, on *NewsHour with Jim Lehrer*, Marayati responded to accusations that he supports Hizbollah. Rather than condemning the terrorist organization, he instead justified Hizbollah's activities:

> If the Lebanese people are resisting Israeli intransigence on Lebanese soil, then that is the right of resistance and they have the right to target Israeli soldiers in this conflict. **That is not terrorism**. **That is a legitimate resistance**. That could be called liberation movement, that could be called anything, but it's not terrorism.[121]

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[118] "MPAC's Speech on Moderation at the State Department," MPAC, Jan. 28, 2002, http://web.archive.org/web/20040507010021/http://www.mpac.org/popa_article_display.aspx?ITEM=178 (accessed July 22, 2008).

[119] Michael Binyon, "Britain Shuts Door on Fundamentalists," *The Times*, January 5, 1996, Lexis-Nexis. Note: According to *The London Sunday Telegraph*, Ghannouchi was "rounded up with several thousand other opponents of the Tunisian government following an alleged plot to assassinate the country's president, Ben Ali, in 1991." See: Con Coughlin, "Senators fight to keep sheikh out of the US State Department told of Islamic fundamentalist's alleged links with terrorism," *Sunday Telegraph (London)*, May 22, 1994, Lexis-Nexis.

[120] Larry Stammer, "After the Attack: Jewish-Muslim Dialogue Newly Tested," The Los Angeles Times, Sept. 22, 2001, Lexis-Nexis.

[121] Salam al-Marayati, "Muslims in America." *NewsHour with Jim Lehrer*, November 24, 1999, Lexis-Nexis.

Earlier, in November 1997, Marayati spoke at the University of Pennsylvania, providing comments and responses to questions that clearly indicate his support for terrorist entities. He refused to call Hizbollah a terrorist organization:

> Question: You mentioned Hizbollah, do you consider it to be more of a, I guess a national liberation movement or a terrorist group?
>
> Al-Marayati: ... I don't think any group should be judged 100% this or that, I think every group is going to have, um, its claim of liberation and resistance ...there's the part that deals with the military confrontation with Israel and if you look at the numbers though, Hizballah attacks against Israeli civilians are like a fraction of Israeli attacks against the Muslims.[122]

Clearly, Al-Marayati's political perspective on the Palestinian- Israeli conflict continues to echo that of Islamic extremists across the globe. Just two years ago, Al-Marayati deemed Israel's policies in response to Palestinian violence "genocide," and placed responsibility on the U.S.:

> "And when there is a foreign policy failure, such as the genocide in Bosnia, such as the silent genocide in Kashmir, such as the occupation and annihilation of the Iraqi people, such as the silent and loud and boisterous annihilation and ethnic cleansing of the Palestinian people, and the destruction of Lebanon – that's not a foreign policy issue; that's an American issue."[123]

It remains unclear why the State Department would seek the advice of someone with a history of statements in support of extremists and terrorist organizations.

VI. The Holy Land Foundation and USAID

According to its website, the United States Agency for International Development (USAID) "supports long-term and equitable economic growth and advances U.S. foreign policy objectives by supporting: economic growth, agriculture and trade; global health; and, democracy, conflict prevention and humanitarian assistance."[124] Unfortunately, USAID belatedly discovered it had been providing financial aid to Hamas through the Holy Land Foundation for Relief and Development (HLF), a registered non-profit organization that is now being prosecuted for money laundering to Hamas. Finally, in 2000, Thomas R. Pickering, then-Undersecretary of State for Political Affairs, ordered HLF's registration with USAID to be terminated, because it was determined that the relationship was "contrary to the national interests and foreign policy of the United States."[125]

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[122] Confidential source.
[123] "ISNA 43rd Annual Conference," Session 2A, September 1 - 4, 2006, Rosemont Convention Center, Chicago, IL.
[124] "This Is USAID," USAID Website, http://www.usaid.gov/about_usaid/ (accessed July 17, 2008).
[125] Letter from Thomas R. Pickering to J. Brady Anderson, Aug. 30, 2000, http://www.investigativeproject.org/documents/misc/42.pdf (accessed July 24, 2008).

The Holy Land Foundation was charged in 2004 with funneling millions of dollars to Hamas. The first criminal trial ended in a hung jury in 2007, amidst allegations of jury room bullying that may have influenced the trial's outcome.[126]

VII. The State Department and Islamist Events

State Department officials have attended and spoken at many conferences sponsored and held by Islamist organizations. This aspect of State Department outreach can be seen as part of the legacy of Karen Hughes. When Ms. Hughes was appointed as Under Secretary of State for Public Diplomacy and Public Affairs, she set the tone to continue a disastrous policy of outreach with Islamist partners.

The State Department has also brought foreign visitors to events held by Islamist organizations. The travel and other financial costs associated with these events have been paid for with taxpayer dollars by the State Department. This is yet another troubling aspect of the State Department's policies governing outreach. Such attendance by State Department officials legitimizes these organizations and their ideology to other parts of the government, the media, the Muslim community, and the country at large. Bringing foreign visitors to such events legitimizes Islamism to the world and sends mixed messages to our allies. The list of these incidents is long. A few prominent examples will be covered below.

A. Attending ISNA, MSA, and MPAC Conferences

During her tenure, Ms. Hughes and her staff held meetings with the very people who should be avoided and denounced for their public, anti-American and pro-terrorist stances; embraced individuals and groups with long histories of support for terrorists; and sought advice from individuals who are on the record as being supportive and friendly with terrorists and terrorist causes.

Hughes herself met with representatives of Muslim campus groups, such as the Muslim Students Association (MSA), early in her tenure.[127] At about the same time, she also

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[126] Michael Fechter, "Exclusive IPT Investigation Uncovers HLF Jury Room Bullying," *IPT News*, December 10, 2007, http://www.investigativeproject.org/article/569 (accessed July 26, 2008). Note: Investigative Project on Terrorism (IPT) interviews with three HLF jurors suggest that juror William Neal's stridency may have changed the trial's outcome. Neal even claimed credit for steering jurors away from convictions in a radio interview. The three jurors said it seemed clear that Neal had made up his mind going into the jury room and refused to consider any argument in favor of guilt. He preferred to read the court's instructions rather than look at exhibits in evidence, they said. The jurors said his often snide manner intimidated and bullied those who disagreed with him.

[127] Note: Medhi Alhassani, a senior at George Washington University and a Public Affairs Bureau intern, with whom the Undersecretary had met, was the president of the GWU MSA, and was later selected for several other State Dep't programs designed for "citizen dialogue" by US Muslims with Muslims around the world. See: Condoleezza Rice, "Remarks With Under Secretary for Public Diplomacy and Public Affairs Karen Hughes at Town Hall for Public Diplomacy," Washington, D.C., Sept. 8, 2005, http://www.state.gov/secretary/rm/2005/52748.htm (accessed July 28, 2008). ; "Muslim Americans Share Their Experiences With Muslim Communities Around the World," Bureau of Public Affairs, U.S.

attended the September 2005 ISNA national conference in Chicago, and held private meetings with organization leaders and delegates,[128] including representatives from the MSA.[129] She was quoted as praising the so-called Muslim organizations' fatwa condemning violence, although the fatwa did not name any terror groups by name.[130] After the conference, Hughes said, "I found new allies to help me do my job."[131]

But the fact that Hughes deems these groups allies is troubling, especially considering the Government's knowledge of these groups' roots in the Muslim Brotherhood.

The Muslim Students Association (MSA) of the United States and Canada was incorporated in January 1963, when members of the Muslim Brotherhood[132] came together at the University of Illinois Urbana-Champaign[133] with the goal of "spreading

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Department of State, July 7, 2006, http://www.state.gov/r/pa/ci/pix/usec/pdpa/pd2006/68722.htm (accessed July 28, 2008).

[128] Amina El-Bishlawy, "State's Hughes Thanks North American Muslims for Hurricane Fund; Under secretary attends convention of Islamic Society of North America," *Washington File*, Sept. 2, 2005, http://usinfo.state.gov/xarchives/display.html?p=washfile-english&y=2005&m=September&x=20050902191136cpataruk0.5953791&t=xarchives/xarchitem.html (accessed July 28, 2008). ; Robin Wright, "Hughes Launches 9/11 Anniversary Image Campaign," *Washington Post*, Sept. 1, 2005, http://www.washingtonpost.com/wp-dyn/content/article/2005/08/31/AR2005083102599.html (accessed July 22, 2008). ; Michael Conlon, "U.S. official decries anti-Muslim hatred," *Reuters*, Sept. 2, 2005, Lexis-Nexis. ; Tara Burghart, "American Muslims Open Convention," *Associated Press*, Sept. 2, 2005, Lexis-Nexis.

[129] Amina El-Bishlawy, "State's Hughes Thanks North American Muslims for Hurricane Fund; Under secretary attends convention of Islamic Society of North America," *Washington File*, Sept. 2, 2005, http://usinfo.state.gov/xarchives/display.html?p=washfile-english&y=2005&m=September&x=20050902191136cpataruk0.5953791&t=xarchives/xarchitem.html (accessed July 28, 2008). ; Manya A. Brachear, "U.S. aide hails Muslim group; Bush diplomat lauds push against terror," *Chicago Tribune*, Sept. 3, 2005, Lexis-Nexis. ; "Briefing En Route Cairo, Egypt, Karen Hughes, Under Secretary for Public Diplomacy and Public Affairs," U.S. Department of State, Sept. 25, 2005, http://www.state.gov/r/us/2005/54023.htm (accessed July 22, 2008).

[130] Note: "'The fatwa says that there is no justification in Islam for terrorism. Those are words the entire world needs to hear,' Hughes said." See: Editorial, Muslim Leaders Confront Terrorism, *VOA News*, Sept. 13, 2005, http://www.voanews.com/uspolicy/archive/2005-09/2005-09-13-voa2.cfm (accessed July 28, 2008). ; Steven Emerson, "The American Islamic Leaders 'Fatwa' is Bogus," *The Counterterrorism Blog*, July 28, 2005, http://counterterror.typepad.com/the_counterterrorism_blog/2005/07/the_american_is.html (accessed July 22, 2008).

[131] Amina El-Bishlawy, "State's Hughes Thanks North American Muslims for Hurricane Fund; Under secretary attends convention of Islamic Society of North America," *Washington File*, Sept. 2, 2005, http://usinfo.state.gov/xarchives/display.html?p=washfile-english&y=2005&m=September&x=20050902191136cpataruk0.5953791&t=xarchives/xarchitem.html (accessed July 28, 2008).

[132] Noreen S. Ahmed-Ullah, Sam Roe and Laurie Cohen, "A Rare Look at Secretive Brotherhood in America," *Chicago Tribune*. Sept. 19, 2004, http://www.chicagotribune.com/news/specials/chi-0409190261sep19,0,5695696.story (accessed July 23, 2008).

[133] "MSA National: Serving Islam and Muslims Since 1963," MSA-National Website, http://www.msanational.org/about/history/ (accessed June 4, 2008).

Islam as students in North America."[134] Muslim Brotherhood leaders of the MSA went on to found the Islamic Society of North America (ISNA)[135] in 1981.[136]

ISNA's close relationship with the Brotherhood appears to have continued far beyond its initial roots. For example, Ahmed Elkadi, who headed the Muslim Brotherhood in the US from 1984 to 1994,[137]served on ISNA's Executive Council in 1984.[138]

Newly declassified FBI memos that date back to 1987-1988 further substantiate ISNA's Muslim Brotherhood connections. These records show that FBI agents investigated a parent organization to ISNA, the North American Islamic Trust (NAIT), during the mid-1980s.

The FBI investigation concluded that the Muslim Brotherhood members who founded U.S.-based groups had risen to "leadership roles within NAIT and its related organizations,"[139] including ISNA, "which means they are in a position to direct the activities and support of Muslims in the U.S. for the Islamic Revolution."[140] The FBI memo also said that:

> "Within the organizational structure of NAIT, there have been numerous groups and individuals identified as being a part of a covert network of revolutionaries who have clearly indicated there (sic) support for the Islamic Revolution as advocated by the AYATOLLAH KHOMEINI and his government as well as other fanatical Islamic Shiite fundamentalist leaders in the Middle East. This faction of Muslims have declared war on the United States, Israel and any other country they deem as an enemy of Islam. The common bond between these various organizations is both religious and political with the underlying common goal being to further the holy war (Islamic Jihad)."[141]

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[134] "A Little Taste of History," MSA-National Website, http://web.archive.org/web/20060118061004/http://www.msa-national.org/about/history.html (accessed June 4, 2008).
[135] John Mintz and Douglas Farah, "In Search of Friends Among the Foes," *The Washington Post*, Sept. 11, 2004, A1, http://www.washingtonpost.com/wp-dyn/articles/A12823-2004Sep10.html (accessed July 24, 2008).
[136] "Articles of Incorporation, Islamic Society of North America," Office of the Secretary of State of Indiana, July 14, 1981.
[137] Noreen S. Ahmed-Ullah, Sam Roe, and Laurie Cohen, "A Rare Look at Secretive Brotherhood in America," *The Chicago Tribune*, Sept. 19, 2004, http://www.chicagotribune.com/news/specials/chi-0409190261sep19,0,5695696.story (accessed July 24, 2008).
[138] "ISNA Executive Council," *Islamic Horizons*, Jan. 1984, p. 2.
[139] Department of Justice and Federal Bureau of Investigation Documents Regarding the Investigation into the North American Islamic Trust, FOIA Request: 1111944-00, April 29, 2008.
[140] Ibid.
[141] Ibid.

Thus, it is troubling that on October 18, 2006, Hughes and Under Secretary Nicolas Burns hosted a State Department Iftaar dinner which included "leaders of broad-based organizations," including leaders of ISNA, MSA, and MPAC, among others.[142]

Furthermore, in late April 2006 Hughes held a conference call with "Muslim leaders" to discuss an audiotape Bin Laden had recently released. These putative leaders included MPAC officials Salam al-Marayati, Maher Hathout, Ahmed Younis,[143] and Corey Saylor of CAIR.[144] Saylor stated that Bin Laden "sought to exploit legitimate Muslim grievances."[145] Hughes did not challenge Saylor's rationalization of the violent attacks against the U.S. by referring to the motivations of blood thirsty terrorists as "legitimate Muslim grievances." The only way these Muslim grievances could be considered "legitimate" would be if one equated the failure of the U.S. to become a Muslim country as "legitimate."

In a token of thanks for her work with the organization, on June 19, 2008, ISNA held a recognition dinner "in honor of Ambassador Karen Hughes' continuous efforts with the Muslim American community and the Muslim community abroad."[146] Ingrid Mattson expressed "gratitude to the invaluable efforts Ambassador Hughes has put forth to conduct a means of public diplomacy that serves as a connecting bridge to the Muslim community of America and abroad."[147] Hughes received an "award of appreciation" at the dinner.[148] The event occurred almost exactly one year after ISNA was named an un-indicted co-conspirator in the terrorist financing trial of the Holy Land Foundation for Relief and Development (HLF) and five of its officials.[149]

But Hughes' misguided efforts to engage true moderate Muslims was not limited to her relationship-building efforts with these domestic groups. In fact, in September 2005 Hughes flew to the Middle East and held a meeting in Egypt with Muhammad Sayyed Tantawi, the sheikh of Al-Azhar University. Tantawi had called for jihad against US forces in Iraq in 2003[150] and suicide bombings in Israel in 2002.[151]

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[142] "Under Secretary of State for Political Affairs R. Nicholas Burns and Under Secretary of State for Public Diplomacy and Public Affairs Karen Hughes At The Annual State Department Iftaar Dinner," Office of the Spokeman, U.S. Department of State, Oct. 19, 2006. http://www.state.gov/r/pa/prs/ps/2006/74762.htm (accessed July 22, 2008)

[143] Dr. Habib Siddiqui, "Understanding OBL through the lenses of the past," *American Muslim Perspective*, April 24, 2006, http://www.archives2006.ghazali.net/html/understanding_obl.html (accessed July 28, 2008).

[144] "CAIR Reps Attend Reception for Mukhtaran Mai," CAIR-Net Listserv Email, April 26, 2006.

[145] Ibid.

[146] "Karen Hughes Recognition Dinner," Islamic Society of North America, http://www.isna.net/articles/Interfaith-News/Karen-Hughes.aspx (accessed July 28, 2008).

[147] Ibid.

[148] Ibid.

[149] *U.S. v. Holy Land Foundation for Relief and Development, et al.*, 3:04-cr-240, "Attachment A," (N.D. TX Aug. 2007), http://www.investigativeproject.org/documents/case_docs/423.pdf (accessed July 24, 2008).

[150] "Sheikh Tantawi's Positions on Jihad Against Coalition Forces, Saddam's Resignation, and The War in Iraq," MEMRI, April 8, 2003, http://memri.org/bin/articles.cgi?Page=archives&Area=ia&ID=IA13003 (accessed July 28, 2008).

Beyond this, the State Department sent Foreign Service recruiter Brian Flora to ISNA's 44th Annual Conference, which was held jointly with Muslim Student Association (MSA), on August 31, 2007 in Rosemont, Illinois.[152] The subject of his speech was, "Working for the Federal Government."[153]

It is disturbing that the State Department seems to be recruiting through Islamist venues such as this one, where speakers routinely criticize the U.S. Government and obfuscate the facts surrounding the conviction of terrorists. For example, at the same conference where recruiter Flora spoke, one speaker said:.

> And we recognize that everything that has been done in the last 6 years, September 11 onwards, in the name of national security has been focused principally on Palestine and Palestinians. That's why my very good friend, and I am honored to call him my good friend, Professor Sami Al-Arian, is in prison, though not a single charge against him was proven in a court of law.[154]

Sami Al-Arian, a University of South Florida Computer Science professor, was indicted in February 2003[155], after a ten year investigation, on charges of establishing and operating the Palestinian Islamic Jihad (PIJ) network in the United States. In December 2005, after a six month trial, Al-Arian was acquitted of eight charges, while the jury deadlocked on the nine other charges,[156] including conspiracy to provide material support to PIJ. On April 14, 2006, after more than a decade of denying any involvement with PIJ, and five months after the conclusion of his jury trial, Sami Al-Arian pled guilty to "conspiracy to make or receive contributions of funds, goods or services to or for the benefit of the Palestinian Islamic Jihad, a Specially Designated Terrorist." Conditions of his guilty plea included his submission to ICE for deportation proceedings."[157] As part of the plea agreement, Al-Arian admitted that he "performed services for the PIJ in 1995 and thereafter" and that he was "aware that the PIJ achieved its objectives by, among other means, acts of violence."[158] The agreement states that the services Al-Arian performed "included filing for immigration benefits for individuals associated with the PIJ, hiding the identities of individuals associated with the PIJ, and providing assistance for an individual associated with the PIJ in a United States Court proceeding."[159] He was recently indicted for criminal contempt for refusing to testify in grand jury proceedings

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[151] Leading Egyptian Government Cleric Calls For: 'Martyrdom Attacks that Strike Horror into the Hearts of the Enemies of Allah'," MEMRI, April 7, 2002, http://memri.org/bin/articles.cgi?Page=archives&Area=sd&ID=SP36302 (accessed July 28, 2008)
[152] "Working for the Federal Government," Session 9K, 44th Annual ISNA Convention (held jointly with MSA), Rosemont, IL, Aug. 31 - Sept. 3, 2007.
[153] Ibid.

[154] Agha Saeed, 44th Annual ISNA Convention (held jointly with MSA), Rosemont, IL, Aug. 31, 2007.
[155] John Mintz, "Professor Indicted as Terrorist Leader," *Washington Post*, Feb. 21, 2003, p. A01, Lexis-Nexis.
[156] *U.S. v. Al Arian, et al*, 03-CR-77, "Verdict Form," (M.D. FL Dec. 6, 2005).
[157] *U.S. v. Al Arian, et al*, 03-CR-77, "Plea Agreement," 1563 (M.D. FL April 14, 2006).
[158] Ibid.
[159] Ibid.

investigating IIIT (for more on IIIT, see below section, "The Coordinator for Counterterrorism and IIIT).[160]

On December 15, 2005, Bruce Sherman of the State Department's Broadcasting Board of Governors spoke at MPAC's Annual Convention in Long Beach, California. Alina Romanowski, Deputy Assistant Secretary of State Office of Professional and Cultural Exchanges Bureau of Educational and Cultural Affairs, spoke at the same convention. At that convention, one speaker said that Iran's problems are all due to the fact that "they are resisting the Zionist occupation of Palestine."[161]

B. The Coordinator for Counterterrorism and IIIT

In March 2006, Henry "Hank" Crumpton, Ambassador-at-Large and Coordinator for Counterterrorism at the State Department from August 2005 until February 2007, was the keynote speaker at a conference co-sponsored by the International Institute of Islamic Thought (IIIT) in Alexandria, VA. The title of the conference was, "Muslims in America: Challenges, Prospects, and Responsibilities." It is important and troubling to note that one of the other sponsors for the conference was the Institute for Defense Analyses, a non-profit corporation funded by the Department of Defense.[162]

IIIT is part of a complex corporate web of companies, charities and not-for-profit corporations known as the SAAR Network or the Safa Group, which has been under investigation since 2003. IIIT has been under grand jury investigation in Northern Virginia, which recently resulted in the indictment of Sami Al-Arian – the convicted Palestinian Islamic Jihad operative – for criminal contempt.[163] David Kane, an ICE agent who has investigated the SAAR Network has concluded that while he did not "know for sure why the labyrinth of organizations and charities that comprise the Safa Group was constructed, there does not appear to be any innocent explanation."[164] Based on what had been discovered about the histories of the individuals who led the various SAAR entities, the agent said, "the most likely reason is to conceal support for terrorism."[165] Kane asserted that IIIT was used as a front to fund and support terrorist groups such as Hamas and Palestinian Islamic Jihad (PIJ). In a letter written by Taha Jabar al-Alwani, founding member[166] and president of IIIT,[167] to Sami Al-Arian on November 19, 1991, al-Alwani

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[160] *U.S. v. Al Arian*, 08-CR00131, "Indictment," (E.D. VA June 26, 2008).

[161] Sayed Moustafa Al-Qazwini, Muslim Public Affairs Council Convention, Long Beach, CA, Dec. 15, 2005.

[162] "Muslim Leaders, Scholars Confer with US Government Officials on Relations and Responsibilities," Center for the Study of Islam and Democracy, Mar. 17, 2006, http://www.csidonline.org/index.php?option=com_content&task=view&id=180&Itemid=73 (accessed July 21, 2008).

[163] Larry O'Dell, "Jailed prof in terror case faces contempt charges," *Associated Press*, June 26, 2008, http://news.yahoo.com/s/ap/20080626/ap_on_re_us/attacks_professor (accessed July 22, 2008).

[164] Affidavit of SA David Kane in Support of Application for Search Warrants involving 555 Grove Street in Herndon, Virginia and Related Locations, Para. 88, p. 43, (E.D. VA Oct. 2003).

[165] Ibid.

[166] IIIT Form 1023 (Application for recognition of Exemption), June 4, 1982. ; IIIT Articles of Incorporation (PA 1980), filed with Pennsylvania Department of State Corporation Bureau, Nov. 6, 1980. Note: Articles of Incorporation show a "Dr. Taha Jaber" (presumably al-Alwani) as an incorporator.

referred to the payment of monies from IIIT to PIJ.[168] The letter further stated that al-Alwani and his colleagues considered Al-Arian, Ramadan Abdullah Shallah (the current secretary-general of PIJ), and other founders and members of PIJ as "indistinguishable" from the IIIT.[169]

In addition to this, recently declassified FBI documents identify leaders of IIIT and the SAAR Foundation "as being members of the Ikhwan Al-Muslimeen (Muslim Brotherhood)," [170] a global Islamist movement that seeks to establish an Islamic Caliphate spanning the entire Muslim world and Islamic (Sharia) law the sole basis of jurisprudence and governance. The documents also note that "all the subsidiary and sponsoring Muslim organizations under the control of the IIIT and the SAAR Foundation are in fact Ikhwan organizations."[171]

IIIT's roots go back to a 1977 Islamic conference in Lugano, Switzerland sponsored by the Association of Muslim Social Scientists, AMSS, where attendees discussed the idea to create IIIT.[172] IIIT soon became a significant contributor to the Palestinian Islamic Jihad (PIJ) through the World and Islam Studies Enterprise (WISE).[173] WISE was the front organization used by Sami Al-Arian, working from his home and office in Tampa Florida, to covertly support the Palestinian Islamic Jihad.[174]

IIIT and WISE also are tied together by patterns of participation at the radical Islamic conferences sponsored by the ICP.[175] Numerous questionable persons are directly associated with IIIT. These include Taha Jaber Al Alwani, a founding member[176] who later assumed the IIIT presidency.[177] Al Alwani and Al-Arian, Ramadan Abdullah Shallah and Sheikh Odeh (the spiritual leader and co-founder of PIJ), and Sheikh Omar Abdel Rahman (convicted of terrorist plots in 1995) spoke together at conferences of the Islamic Committee for Palestine (ICP).[178] The ICP was founded by Al-Arian and, according to the government, was a fundraising arm of the PIJ.[179] At an ICP fundraising

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[167] The CSID Board, Dr. Taha Jabir al Alwani," Center for the Study of Islam & Democracy, http://www.islam-democracy.org/alwani_bio.asp (accessed Jan. 24, 2006).
[168] Affidavit of SA David Kane in Support of Application for Search Warrants involving 555 Grove Street in Herndon, Virginia and Related Locations, Para. 61, p. 33, (E.D. VA Oct. 2003).
[169] Ibid. ; *U.S. v. Sami Al-Arian*, 03-CR-77, exhibit 325 (M.D. FL 2003).
[170] Federal Bureau of Investigation, FOIA Documents, Case ID: 1111944-000, April 29, 2008.
[171] Ibid.
[172] Lee Steinberg, The Islamization of Science: Four Muslim Positions Developing an Islamic Modernity, Cornet Books: New York, 1996, p. 5, http://www.cis-ca.org/reviews/4-pos.htm (accessed July 2, 2008).
[173] Affidavit of SA David Kane in Support of Application for Search Warrants involving 555 Grove Street in Herndon, Virginia and Related Locations, Para. 81, p. 41, (E.D. VA Oct. 2003).
[174] Ibid Paragraph 24, p. 24.
[175] Ibid paragraph 68, p. 38.
[176] "Interview with Sheikh Taha," *Muslim Democrat*, 4, No. 1, Jan. 2002, p. 4, http://www.islam-democracy.org/documents/pdf/md_january2002.pdf (accessed July 2, 2008).
[177] "The CSID Board, Dr. Taha Jabir al Alwani," The Center for the Study of Islam & Democracy, http://www.islam-democracy.org/alawani_bio.asp (accessed July 2, 2008).
[178] Affidavit of SA David Kane in Support of Application for Search Warrants involving 555 Grove Street in Herndon, Virginia and Related Locations, Para. 68, p. 38, (E.D. VA Oct. 2003).
[179] *U.S. v. Al-Arian, et al.*, 03-CR-77, "Superseding Indictment," (M.D. FL Sept. 21, 2004). ; and *U.S. v. Fawaz Damra*, United States Court of Appeals, No. 04-4216, Mar. 15, 2005.

event, the Committee's top fundraiser called ICP "the active arm of the Islamic Jihad Movement in Palestine" and said they only called the committee ICP for "security reasons."[180]

Al Alwani expressed views in synch with those of PIJ when he signed a fatwa regarding the Israeli-Palestinian conflict. "Jihad is the only way to liberate Palestine; that no person may settle the Jews on the land of Palestine or cede to them any part thereof, or recognize any right therein for them."[181] IIIT and WISE also exchanged or mutually hired personnel as well. Bashir Nafi, who worked at IIIT was arrested and deported in 1996 for violating his visa stipulation that WISE would be his employer.[182] Nafi has been identified as a leading member of PIJ.[183]

Tarik Hamdi was an employee of WISE who later became an employee of IIIT.[184] Hamdi took delivery at his residence of a battery in 1998 that was ordered by Al Qaeda logistics specialist Ziyad Khaleel. Later Hamdi personally delivered the battery to Bin Laden in Afghanistan, and prosecutors stated that the battery operated "the phone that bin Laden and others will use to carry out their war against the United States."[185]

The irony of the Coordinator for Counterterrorism of the State Department attending a conferences co-sponsored by an organization with many alleged ties to terrorism that has been under active federal investigation is stunning. The State Department must reevaluate its vetting policies.

C. South Asian Journalists brought to CAIR

From September 26 to October 8, 2005, the State Department hosted journalists from India, Pakistan, Bangladesh, and Sri Lanka – taking them on a tour of Chicago, New York City, and Washington, DC. Everywhere the journalists went, the State Department arranged meetings with "academics, researchers, intellectuals and representatives of a cross section of faiths."[186] The tour was intended to "examine the nature of religious diversity in America and the Separation of Church and State principle."[187] Like many of the programs discussed in this testimony, the idea behind it is laudable, but its execution was fatally flawed. One of the organizations that was asked by the State Department to

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[180] *U.S. v. Fawaz Damra*, United States Court of Appeals, No. 04-4216, Mar. 15, 2005.
[181] Ibid. Paragraph 69, p. 38.
[182] Ibid. Paragraph 26, p. 25.
[183] Ibid Paragraph 25, p. 24.
[184] Note: The "Muslim Community Directory of Metropolitan Washington" for 2000 shows Tarik Hamdi as publisher of IIIT publication *Islamiyat Al-Ma'rifah* (which in the past was supposedly linked to IIIT's website). See: Matthew A. Levitt, Senate Subcommittee on International Trade and Finance. *The Role of Charities and NGOs in the Financing of Terrorist Activities*, 107th Cong., 2nd sess., Aug. 1, 2002, http://banking.senate.gov/02_08hrg/080102/levitt.htm (accessed July 2, 2008).
185 *U.S. v. Bin-Laden*, 98 Cr. 1023, "Trial Transcripts," 5287 (S.D. NY May 21, 2001). ; Judith Miller, "A Nation Challenged: The Money Trail," *New York Times*, Mar. 21, 2002, http://query.nytimes.com/gst/fullpage.html?res=9C03EFDC1138F932A15750C0A9649C8B63 (accessed July 2, 2008).
[186] "Religious Freedom and Pluralism - South Asian Journalists," U.S. State Department, Sept. - Oct. 2007, http://fpc.state.gov/fpc/58076.htm (accessed July 21, 2008).
[187] Ibid.

host the journalists was the Council on American-Islamic Relations (CAIR) in New York City.[188] [See Section III. Islamist Speakers Sponsored by the State Department above for a lengthy description of CAIR.]

Using CAIR to convey the values of religious diversity and the separation of church and state would be laughable if it was not so counterproductive. An event at the National Press Club in Washington, DC on February 16, 2006 is instructive regarding CAIR's thoughts on the separation of church and state. At the event, then-CAIR Chairman Parvez Ahmed, in the midst of the Danish Cartoons controversy, called for the U.S. government and those around the world to adopt "blasphemy laws." Ahmed said:

> I think the next steps would be to broaden the scope of anti-hate laws and even contemplate about passing blasphemy laws, because blasphemy with such sacred icons, like the Prophet Mohammad, like the Quran, or the cross, or other religious symbols…So governments, legislatures, international bodies…must contemplate about what are the ways in which an anti-blasphemy law can be passed that can protect the right to exercise freedom of religion.[189]

Are these the values we want foreign journalists taking back to their countries?

VIII. The International Visitor Leadership Program and the Role of Meridian International

Any program that hosts a future president of France and might have engendered a positive impression of the United States is worth maintaining. Such a program exists: the International Visitors Leadership Program (IVLP). It brought Nicolas Sarkozy to the U.S., well before he became President of France.[190] The only problem is that the program has drawn in another element, such as a radical Dutch Islamist who said matter-of-factly that "we Muslims are in the process of taking over Europe from the inside."[191]

The 50-year-old IVLP has engendered a great deal of good will for America around the world. President Sarkozy is one of 46 "Chiefs of State and Current Heads of Government that are International Visitor Leadership Program Alumni."[192] The estimated federal commitment to the IVLP is $78 million,[193] much of which is granted to third-party

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[188] Ibid.
[189] Parvez Ahmed, "Religious and Political Perspectives on the Cartoon Controversy," National Press Club, Feb. 16, 2006.
[190] Note: Sarkozy participated in the program in 1985. See: "Program Alumni," Bureau of Educational and Cultural Affairs, U.S. Department of State, http://exchanges.state.gov/education/ivp/alumni.htm (accessed July 18, 2008).
[191] Note: The Dutch individual described took part in the program in 2003. See: Program Report of Daniel Paseiro, "International Visitor Program Report: 'Diversity and Identity in the U.S.': A Single Country Project for the Netherlands," Oct. 8, 2003.
[192] "Program Alumni," Bureau of Educational and Cultural Affairs, U.S. Department of State, http://exchanges.state.gov/education/ivp/alumni.htm (accessed July 18, 2008).
[193] Carmen Morero, Chief: Community Relations Branch of the Bureau of Educational and Cultural Affairs, U.S. State Department, Telephone Interview, July 17, 2008.

"Program Agencies" in the form of State Department issued contracts.[194] While the State Department does indeed have some say in the day-to-day operations of individual groups, "private programming agencies…are responsible for most of the details."[195] Simply put, while the State Department foots the bill and handles the nomination and selection of participants,[196] program agencies have relative autonomy in planning program stops and events.[197] One such agency, which has shown particularly questionable discretion with the use of federal funds, is the Meridian International Center.[198]

Understandably, after 9/11, the focus of the program has changed in order to match the times – concentrating a great deal of effort into bringing Muslims from abroad to the U.S. to interact with the Islamic community and others in the U.S. Even though in some cases the program has scored some successes in achieving these goals, other occasions have been counterproductive. The State Department does not always seem to be making informed decisions about who it invites to the U.S. and, by way of its contracted program agencies, who it chooses to represent America. This fact has been made readily apparent from the willingness of program officials to partner with Muslim Brotherhood affiliated organization in the U.S. and to invite individuals who unapologetically adhere to a virulent anti-American and/or anti-Semitic viewpoint.

CAIR (for more on CAIR, see section VI, part C) has been involved in the International Visitors Leadership Program. On at least six separate occasions since 2002, the State Department, through its contracted program officials, has chosen to coordinate with CAIR – bringing foreign guests of State for a meet and greet with one of the foremost Islamist organizations in the U.S. It is notable that of the six programs, at least four were arranged and coordinated by the Meridian International Center.[199]

The various meetings with CAIR by the Department of State's sponsored guests have been both at CAIR's national office in Washington, D.C. and at various regional offices. The aforementioned meetings are by no means exhaustive, but rather a sampling of coordination between CAIR and the State Department as part of the IVLP. Meetings took place with IVLP delegations on the following days:

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[194] Becca Durbin, "Tips on Providing International Visitor Leadership Programs for People with Disabilities," Mobility International USA, http://www.miusa.org/ncdc/stories/dubin (accessed July 17, 2008).
[195] "The International Visitors Leadership Program," The World Affairs Council of St. Louis, http://www.wac-stl.org/l_ivs.php (accessed July 21, 2008).
[196] "Program Overview," Bureau of Educational and Cultural Affairs, U.S. Department of State, http://exchanges.state.gov/education/ivp/overview.htm (accessed July 21, 2008).
[197] Note: Program Agencies arrange professional appointments for the visitors in New York City and Washington, DC. They also work with approximately 100 volunteer-based groups around the country that are part of the National Council for International Visitors (NCIV); these councils organize programs in their local communities.
[198] Ibid.
[199] Note: The programs arranged by Meridian International Center were for delegations from Uzbekistan, the Near East and North Africa, Denmark, and Kyrgyzstan. The meetings with CAIR were on Sept. 27, 2002, June 27, 2006, Sept. 6, 2006, and Jan. 31, 2007, respectively.

September 27, 2002: In a program arranged by Meridian International Center, a delegation of Uzbek dignitaries met with CAIR Executive Director Nihad Awad at CAIR's Washington office.[200] An ex-official of IAP, Awad, along with fellow IAP officials Omar Ahmad and Ibrahim Hooper, founded CAIR in 1994.[201] Besides his direct connection by way of IAP, Awad also attended a secret three-day summit in Philadelphia attended by people the FBI considered Hamas members or supporters,[202] and is on record publicly declaring his "support of the Hamas movement," during a March 1994 symposium at Barry University.[203] It does not appear that this is Awad's one and only experience working with IVLP, as he claims on his personal blog to be a "regular participant."[204]

April 20, 2006: As stated in a CAIR-Ohio Press Release, staff of the "Cincinnati office of CAIR-Ohio hosted a group of 11 visitors in the United States as part of the State Department International Visitor Leadership Program. The Muslim and Christian visitors are all community leaders from Arab countries…"[205] It is not noted which program agency organized this visit.

June 27, 2006: In a program arranged by Meridian International Center, a delegation of nine Danes met with CAIR-Chicago representatives at the affiliate's Chicago office.[206] Among the group was CAIR-Chicago's Executive Director, Ahmed Rehab. The Chicago area, home to the Bridgeview Mosque and the Islamic Association for Palestine (the Hamas-linked CAIR precursor organization), has a substantial Hamas presence, and Rehab and CAIR-Chicago are often among the loudest voices in defense and support of local Hamas operatives and other Islamists. CAIR-Chicago routinely implores its followers to appear in court for hearings and trials of Hamas-linked individuals. In one such case, that of Mohammed Salah, the defendant was sentenced to 21 months in prison and fined $25,000[207] for lying under oath in a civil trial in which Salah and his co-defendants (including the Holy Land Foundation (HLF) and other Hamas-fronts) were found liable for $156 million in a case brought by the parents of an American teenager slain by Hamas operatives in the West Bank.[208] Rehab and CAIR-Chicago were quick to

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[200] "Islam in America: A Freedom Support Grant Project for Uzbekistan," Program Overview, International Visitor Program, Meridian International, Sept. 21 - Oct. 12, 2002.
[201] "Articles of Incorporation, Council on American-Islamic Relations," Sept. 15, 1994.
[202] *U.S. v. Holy Land Foundation for Relief and Development, et al.*, 3:04-cr-240, "Testimony of Lara Burns," (N.D. TX Aug. 2, 2007).
[203] "Conference on the Middle East – The Road to Peace: The Challenge of the Middle East," Barry University, Miami Shores, FL, Mar. 22, 1994.
[204] "Biography of Nihad Awad," Nihad Awad Personal Blog, Oct. 16, 2006, http://nihadawad.blogspot.com/ (accessed July 21, 2008).
[205] "CAIR-OH Hosts State Department Visitors," CAIR-Ohio Press Release, April 21, 2006, http://www.cair.com/default.asp?Page=articleView&id=2113&theType=NR (accessed July 21, 2008).
[206] "CAIR-Chicago Meets with Delegation from Denmark," CAIR-Chicago Press Release, June 27, 2006, http://chicago.cair.com/ournews.php?file=on_denmark06272006 (accessed July 21, 2008).
[207] "21 Months For Man Once Accused Of Funding Hamas; Muhammad Salah Was Convicted Of Lying In Civil Suit," CBS News, July 11, 2007, http://cbs2chicago.com/topstories/Muhammad.Salah.medical.2.338259.html (accessed July 21, 2008).
[208] "Jury awards $156M to family of teen in slain in West Bank," Associated Press, Dec. 9, 2004, http://www.usatoday.com/news/nation/2004-12-09-slaying-suit_x.htm (accessed July 21, 2008).

come to the defense of Salah – calling the case against Salah nothing more than "political persecution" – and encouraged followers to "attend [the trial] to show…support."[209] Rehab lists Muslim Brotherhood founder and ideologue Hassan al-Banna as a "Contemporary Muslim Intellectuals who influence(s)" him.[210]

September 6, 2006: In its fourth meeting with a delegation of the IVLP during 2006, CAIR-Chicago representatives met with a group of mosque and youth leaders from Kyrgyzstan.[211] The program event took place at CAIR's Chicago office and was arranged by Meridian International Center.[212]

January 31, 2007: The CAIR National office in Washington hosted a group of "13 delegates from 10 countries in the Near East and Northern Africa" to "discuss human rights, advocacy and awareness." The event was arranged by the Meridian International Center, and it is unclear which CAIR leaders were in attendance.[213]

June 29, 2007: A second Kyrgyz delegation met with yet another CAIR chapter in June of 2007 – this time at CAIR's New York office.[214]

During September 2003, a group of seven Muslims from the Netherlands were chosen by the U.S. Embassy in The Hague to tour America from coast to coast. The majority of group members stayed for the full three week duration, while two others departed at the conclusion of two weeks.[215] The goal of the trip, according to officials at the Embassy, was to expose the delegation to "Diversity in America" through a number of cultural, social and educational events.[216] The program was arranged by none other than the Meridian International Center.[217]

It is clear that some members of the delegation had no interest at all in experiencing the United States or learning about American society. Some members of the Dutch delegation overtly displayed the utmost contempt for America and its institutions from the very beginning of their tour. Arriving in the U.S. with the idea that they were visiting the enemy, they showed no attempt to conceal their anti-American sentiment with anyone they encountered on the trip, making statements like "the world's most corrupt country is

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[209] "Please Attend as Final Witnesses Testify in The Muhammad Salah Trial," CAIR-Chicago, Jan. 2, 2007, http://www.cairchicago.org/oldsite/actionalerts.php?file=aa_salah_trial01022007 (accessed July 28, 2008).
[210] "Links" Ahmed Rehab Personal Website, formerly at http://arehab.tripod.com/ahmed/, 1998-99, copy available at: http://www.investigativeproject.org/documents/misc/154.pdf (accessed July 24, 2008).
[211] "CAIR-Chicago Meets with Delegation from Kyrgyzstan," CAIR-Chicago Press Release, Sept. 6, 2006, http://chicago.cair.com/ournews.php?file=on_kyrgystan09062006 (accessed July 18, 2008).
[212] Ibid.
[213] "CAIR Hosts State Department International Visitors," CAIR Press Release, Feb. 1, 2007, http://www.cair.com/ArticleDetails.aspx?mid1=777&&ArticleID=16647&&name=n&&currPage=42 (accessed July 21, 2008).
[214] "CAIR-NY Hosts Kyrgyz Delegation," CAIR Press Release, June 29, 2007.
[215] Program Report of Daniel Paseiro, "International Visitor Program Report: 'Diversity and Identity in the U.S.': A Single Country Project for the Netherlands," Oct. 8, 2003.
[216] Ibid.
[217] Ibid.

the U.S." and "American history is one of the nastiest of all times."[218] Such statements were not contained to informal discussions or internal group dialogues. In one meeting with a congressional staffer (and in the Member's own office), one of the delegates "uttered the word 'bullshit'" after hearing the response to a question.[219] This continuous disrespect led their State Department-assigned escort, Daniel Paseiro, to complain to his superiors about the group's behavior.[220]

Mr. Paseiro, who had escorted groups from the IVLP for more than 21 years, was shocked to hear additional negative comments from some group members about Holland and Jews. In one noted example, when Mr. Paseiro explained to some in the group that there are only about 15 million Jews in the world, one of them, Famile Arslan, replied, "Even that number is still too many." The repeated attacks and utter lack of respect began to add up for Mr. Paseiro, leading him to note in his program report:

> I am neither a sycophant nor a zombie with ice in my veins, individuals with those skills probably charge a lot more than $180 a day, and when the gratuitously savage attacks on both my country and myself became too much, I responded as well as I could under the circumstances.[221]

Unfortunately, even with his long record of service to the IVLP, State's response to Mr. Paseiro's complaint about the group was shockingly off the mark and accusatory, calling upon the group's guide to be "more diplomatic" with the guests.[222]

There is no doubting the merits of the International Visitor Leadership Program on paper; it is a longstanding U.S. program that has allowed for bridge-building with many current and future leaders around the world. It is in the strategic interest of this country to maintain this program. However, how the program is administered in a real-world setting is a completely different story. A key to the future success of the IVLP rests in increased oversight by the State Department. The lack of discretion used by contracted partners, such as Meridian International Center, has shown time and again that when it comes to taxpayer dollars and U.S. interests, the buck cannot be passed along. The Department of State must ensure that the true intentions of the program's founders are served by today's IVLP and that the appropriate guests and hosts are chosen.

IX. Citizen Exchange Program

The Citizen Exchange Program (CEP) is run by the U.S. State Department's Bureau of Educational and Cultural Affairs (ECA).[223] Part of its focus is on giving "grants to U.S.

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[218] Ibid.
[219] Ibid.
[219] Ibid.
[220] Ibid.
[221] Ibid.
[222] Ibid.
[223] "Citizen Exchanges." Bureau of Educational and Cultural Affairs, U.S. Department of State, 2008, http://exchanges.state.gov/education/citizens/index.htm (accessed July 22, 2008).

nonprofit organizations to carry out exchange programs that support the professional development of foreign participants," which "engage with foreign leaders in critical professions, to demonstrate respect for foreign cultures, and to promote mutual understanding between the people of the United States and other countries."[224]

In 2008, a grant from the CEP was given to the National Peace Foundation (NPF) based in Washington D.C.[225] under the subject title of "Understanding Muslim Life in the United States." The goal of this project was to "improve the understanding of Muslim life in the United States for 24 Muslim scholars and clerics from Qatar, the United Arab Emirates, and Yemen, who come to the U.S. in two groups for two weeks each."[226] Some themes to be addressed are interfaith dialogue[227] and addressing stereotypes.[228] What was not mentioned is the fact that the NPF has conducted this project with the Islamic Society of North America (ISNA), and has been doing so under the Citizen Exchange Program since 2006.[229] It is scheduled to run through 2009.[230]

ISNA, a Muslim Brotherhood-affiliated organization, was an unindicted coconspirator in last year's terrorist financing trial against the Holy Land Foundation (For more on ISNA, refer to "Islamist Outreach in Belgium.").

It is troubling that ISNA was publicly announced as a sponsor in 2006[231] but not attributed in 2008,[232] except on ISNA's own website.[233] Moreover, while the program ostensibly is "to promote mutual understanding" between the U.S. and participating countries, program participants have met with Islamic extremists in the U.S. and abroad, while having open access to U.S. government officials.

The NPF and ISNA through the CEP hosted the first American study tour as part of the Citizen Exchange program, entitled, "Islam in America: New Dimensions in Activism,

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[224] "Citizen Exchanges: Professionals." Bureau of Educational and Cultural Affairs , U.S. Department of State, 2008, http://exchanges.state.gov/education/citizens/professional.htm (accessed July 22, 2008).
[225] "Contact Us!," *National Peace Foundation*, 2008, http://www.nationalpeace.org/ht/d/sp/i/2953/pid/2953 (accessed July 22, 2008).
[226] "Grants By Theme: Faith and Community: 7 Projects," Bureau of Educational and Cultural Affairs, U.S. Department of State, 2008, http://exchanges.state.gov/education/citizens/professionals/themes/faith_community.htm (accessed July 22, 2008).
[227] "Citizen Exchange Project," The Islamic Society of North America, 2008, http://www.isna.net/Interfaith/pages/Citizen-Exchange.aspx (accessed July 22, 2008).
[228] Ibid.
[229] "Faith and Community 2006 Grants," Bureau of Educational and Cultural Affairs, U.S. Department of State. 2008, http://exchanges.state.gov/education/citizens/professionals/themes/2006_faith.pdf (accessed July 22, 2008).
[230] "Citizen Exchange Project," The Islamic Society of North America, 2008, http://www.isna.net/Interfaith/pages/Citizen-Exchange.aspx (accessed July 22, 2008).
[231] "Faith and Community 2006 Grants." Bureau of Educational and Cultural Affairs, U.S. Department of State, 2008, http://exchanges.state.gov/education/citizens/professionals/themes/2006_faith.pdf (accessed July 22, 2008).
[232] "Contact Us!," *National Peace Foundation,* 2008, http://www.nationalpeace.org/ht/d/sp/i/2953/pid/2953 (accessed July 22, 2008).
[233] "Citizen Exchange Project," Islamic Society of North America, 2008, http://www.isna.net/Interfaith/pages/Citizen-Exchange.aspx (accessed July 22, 2008).

Pluralism, and Thought."[234] The group traveled in and around Washington D.C., Chicago, Indianapolis, and Louisville, Kentucky during July of 2007 meeting with Muslim representatives and government officials. In Indiana they met with Lt. Governor Becky Skillman, and Alina Romanowski, State Department Deputy Assistant Secretary of State for Professional and Cultural Exchanges. They also met State Department representatives from the ECA, County and Regional policy offices, and the Press and Diplomacy offices.[235] The tour concluded in Washington D.C. with a dinner hosted by the ISNA Office for Interfaith and Community Alliances (IOICA) with U.S. Representative Keith Ellison (D-MN) as the keynote, with a member of the ECA in attendance.[236]

In Chicago, on June 17th, 2007, the delegation was hosted by the Mosque Foundation of Bridgeview, Illinois. Among the Foundations representatives were Dr. Muhammad Zaher Sahloul, Sheikh Jamal Said, and Sheikh Kifah Mustapha discussed below.[237]

The Mosque Foundation (MF) has reportedly been a known center of Hamas and other radical activity. Although the MF was founded by Palestinian immigrants, it came under the control of the Saudi backed North American Islamic Trust (NAIT), a subsidiary of ISNA and immediately adhered to a more extreme Islamic ideology.[238] In a seminal article in 2004, the *Chicago Tribune* stated that MF leaders have "condemned Western culture, praised Palestinian suicide bombers and encouraged members to view society in stark terms."[239] Many of them have ties to the Muslim Brotherhood,[240] and have questioned whether Osama Bin Laden was behind the 9/11 terrorist attacks, as MF President and former ISNA official[241] Ossama Jammal did in November 2001.[242]

The MF was visited in the mid-1980s by Sheikh Abdullah Azzam, Osama Bin Laden's mentor, as part of an effort to recruit support for the *mujahideen* against the Soviet Union in Afghanistan. Reportedly, at least three mosque members enlisted in this effort.[243] One Bridgeview Mosque worshipper, Nabil Al-Marabh, had contacts with two of the 9/11

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[234] Hassaan Sohail, "Citizen Exchange." *Islamic Horizons*. Sept. – Oct. 2007, p. 12.
[235] Ibid.
[236] Ibid.
[237] "International Citizen Exchange Program Visits the Mosque," *Mosque Foundation*, Sept. 5, 2007, http://www.mosquefoundation.org/Articles/tabid/103/ArticleType/ArticleView/ArticleID/23/PageID/13/Default.aspx (accessed July 22, 2008).
[238] Noreen S. Ahmed-Ullah and others, "Hard-liners won battle for Bridgeview mosque," *The Chicago Tribune*, Feb. 8, 2004, www.chicagotribune.com/news/specials/chi-0402080265feb08,1,7392742.story (accessed July 22, 2008).
[239] Ibid.
[240] Ibid.
[241] Program for ISNA Convention Aug. 30 – Sept. 2, 2002.
[242] Roxane Assaf, "Portrait of a City: Chicago-Area Muslims and Arab Americans Face Backlash, Expressions of Solidarity," *Washington Report of Middle East Affairs*, Nov. 2001, http://www.wrmea.com/archives/november01/0111050.html (accessed July 24, 2008).
[243] Joel Mowbray, "Reign of the Radicals: One man fights to take back his mosque from Islamists," *The Wall Street Journal*, Jan. 27, 2006, http://www.opinionjournal.com/taste/?id=110007880 (accessed July 24, 2008).

hijackers: ringleader Mohammed Atta and Marwan Al-Shehhi. Police referred to al-Marabh as a senior Al-Qaeda operative in Toronto, Canada.[244]

The current Imam of the MF is Sheikh Jamal Said, a Palestinian from the West Bank who claims that as a child the Muslim Brotherhood inspired him.[245] Said, whose salary is partly paid by Saudi Arabia,[246] brought a conservative school of Islamic thought to the mosque, preaching that America was a land of disbelievers and that Muslims should not celebrate Valentine's Day and Thanksgiving because those were not Islamic holidays.[247]

During the 1990s Said also served as the Treasurer for the Al-Aqsa Educational fund run by Abdelhalim al-Ashqar to support Hamas.[248] One of Said's mosque leaders Muhammad Salah, was arrested in Israel in 1993 for distributing money to Hamas. In a statement to Israeli authorities that was later recanted, Salah said that Said had recruited him into the Muslim Brotherhood and subsequently Hamas.[249]

An effective fundraiser, Said has transformed the Bridgeview Mosque into a multimillion-dollar operation.[250] At one event, Said raised $50,000 for Sami Al-Arian, the former Professor at the University of South Florida and North American leader of the Palestinian Islamic Jihad.[251] Most of the money was funneled to Muslim charities, some of which has been subsequently sent to terrorist related entities overseas.

The MF has donated money to the Global Relief Foundation (GRF),[252] shut down on October 18, 2002 due to its funding of terrorism,[253] the Benevolence International Foundation (BIF),[254] shut down by Executive Order 13224 as a financier of terrorism,[255]

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[244] Tom Godfrey, "Al-Marabh 'The Real Thing' Suspect A Senior Al-Qaida Planner: Police,"*The Toronto Sun*, Jan. 13, 2002, Lexis-Nexis.
[245] Noreen S. Ahmed-Ullah and others, "Hard-liners won battle for Bridgeview mosque," *The Chicago Tribune*, Feb. 8, 2004, www.chicagotribune.com/news/specials/chi-0402080265feb08,1,7392742.story (accessed July 22, 2008).
[246] Ibid.
[247] Ibid.
[248] David Heinzmann and Laurie Cohen, "Muslims view indictments as pieces in political game: The charging of 3 Islamic men in connection with terrorism financing draws an angry response in Bridgeview," *The Chicago Tribune*. Aug. 21, 2004, Lexis-Nexis.
[249] Noreen S. Ahmed-Ullah and others, "Hard-liners won battle for Bridgeview mosque," *The Chicago Tribune*, Feb. 8, 2004, www.chicagotribune.com/news/specials/chi-0402080265feb08,1,7392742.story (accessed July 22, 2008).
[250] Ibid.
[251] Ibid.
[252] Global Relief Foundation, Inc. IRS Form 990, List of Donors, 1999, 2000.
[253] U.S. Treasury Office of Public Affairs. "Treasury Department Statement Regarding the Designation of the Global Relief Foundation." Oct. 18, 2002, http://www.ustreas.gov/press/releases/po3553.htm (accessed July 24, 2008).
[254] Benevolence International Foundation IRS Form 990 List of Donors, 2000.
[255] U.S. Treasury Office of Public Affairs. "Treasury Designates Benevolence International Foundation and Related Entities as Financiers of Terrorism," Nov. 19, 2002, http://www.ustreas.gov/press/releases/po3632.htm (accessed July 24, 2008).

and the Holy Land Foundation (HLF).[256] Between 1991 and 2001, the mosque gave almost $400,000 to GRF, BIF, and the Holy Land Foundation.[257] Donations were also given to the Islamic American Relief Agency (IARA),[258] later designated a terrorist organization by the Treasury Department.[259] The organization is currently under indictment[260] and awaiting trial scheduled for November, 2008.[261]

Despite the closure of these charities, the MF hired Sheikh Kifah Mustapha, who had run the Chicago-area HLF office and was an Islamic Association of Palestine (IAP) board member, as its new Imam.[262] IAP, which is now defunct, was a central player in Hamas' U.S. support network while CAIR's future founders controlled IAP. A 2001 INS memo extensively documented IAP's support for Hamas and noted that the "facts strongly suggest" that IAP is "part of Hamas' propaganda apparatus."[263]

Dr. Mohammed Zaher Sahloul has served as the Vice-President for the MF, Vice Chair of the Council of Islamic Organizations of Greater Chicago (CIOGC) and as a board member of CAIR-Chicago in 2005.[264] The CIOGC, which now includes almost 50 formal Muslim organizations, institutions, mosques, schools, and associations, has co-sponsored rallies with the IAP,[265] and has played a central role in the planning or organizing of ISNA conventions.[266]

In November 2007, the Exchange Program took representatives from the United States overseas to the Middle East beginning in Egypt. Leading the delegation was Mohamed Magid, Vice President of ISNA[267] and imam of the All Dulles Area Muslim Society

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[256] Joel Mowbray, "Reign of the Radicals: One man fights to take back his mosque from Islamists," *The Wall Street Journal*, Jan. 27, 2006, http://www.opinionjournal.com/taste/?id=110007880 (accessed July 24, 2008).
[257] Ibid.
[258] Deborah Horan and Laurie Cohen, "Bank closes mosque account; Donations to charity in terror case cited," *The Chicago Tribune*, Mar. 11, 2005, Lexis-Nexis.
[259] "Treasury Designates Global Network, Senior Officials of IARA for Supporting bin Laden, Others," U.S. Treasury Department. Oct. 13, 2004, http://www.treasury.gov/press/releases/js2025.htm (accessed Nov. 8, 2007).
[260] *U.S. v. IARA*, 07-cr-87, "Superseding Indictment" (W.D. MO Jan. 16, 2008).
[261] Mark Morris, "Ex-lawmaker pleads not guilty in money-laundering case," *The Kansas City Star*. Jan. 29, 2008, Lexis-Nexis.
[262] Joel Mowbray, "Reign of the Radicals: One man fights to take back his mosque from Islamists," *The Wall Street Journal*, Jan. 27, 2006, http://www.opinionjournal.com/taste/?id=110007880 (accessed July 24, 2008).
[263] "In the matter of Hasan Faisal Yousef Sabri, Notice of Revocation of petition for Amerasian, Widow, or Special Immigrant," Attachment (Form I-360).
[264] "Dr. Zaher Sahloul Profile," Council of Islamic Organizations of Greater Chicago Website, 2007, http://www.ciogc.org/shuraDetailP1.html?profileId=22 (July 24, 2008).
[265] Note: One such rally was held on October 20, 2000, entitled "Rally in Support of Palestinians." See: "Grand rally for Palestine in Chicago this Friday," Electronic Announcement, MSANEWS, Islamic Association for Palestine. October 17, 2000.
[266] "About the Council of Islamic Organizations of Greater Chicago," Council of Islamic Organizations of Greater Chicago, Jan. 27, 2003 http://web.archive.org/web/20030127063107/http://www.ciogc.org/ (accessed July 24, 2008).
[267] "People to People," *Islamic Horizons*. Mar. - April 2008, p. 9.

(ADAMS) Center, a Northern Virginia-based mosque. In 2005, the Freedom House Center for Religious Freedom issued a report on Saudi literature found in American mosques, including the Magid's ADAMS Center.[268] The report found that the ADAMS Center was one of many mosques with literature that espouses extremism and spreads a destructive ideology. In 2004 Magid spoke at an event hosted by Georgetown University where he was asked a question regarding what the motivation behind the Sudan conflict. Magid replied that a lot of the concern regarding Sudan is an exaggeration and a result of the United Nations adding zeros on the number of deaths:

> "There is no United Nations resolution by the war of the North and the South. Darfur issue: the United Nations representative in Khartoum said there is not 50,000 died, although I said life matters, if one person is too many for me, they said about 5,000 people died. I think somebody just made a mistake and put a zero there, no problem. But what happened in this issue here, that things escalated and people called it genocide. There is a fight, many people have been displaced, people lost their homes and they need help but at the same time I want to say there is some kind of exaggeration of the some of the problems."[269]

Magid is listed as an adviser to the Sterling Charitable Gift Fund,[270] which was raided as part of the SAAR network (see "The Coordinator for Counterterrorism and IIIT" for more information on the SARR network).[271] According to a government affidavit, the Sterling Charitable Gift Fund was used as a conduit for money laundering and support for terrorist organizations.[272]

In Egypt the delegation met with Dr. Taha Jabar al-Alwani, Director of IIIT (see "The Coordinator for Counterterrorism and IIIT" for more information on IIIT).[273] Al-Alwani had served as a trustee of Safa Trust[274] and was President of at least five SAAR network organizations.[275] He also founded and is active with the Council of the Muslim World League (MWL), an organization established in 1962 by the Saudi royal family to promote

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[268] "Saudi Publications on Hate Ideology Invade American Mosques," Freedom House Center for Religious Freedom, 2005, www.freedomhouse.org/uploads/special_report/45.pdf (accessed July 24, 2008).
[269] Video, Mohamed Magid, "War and Violence: Islam's Perspective," Georgetown University, Oct. 6, 2004. [Obtained from MeccaCentric]
[270] "Program Circular of the Charitable Gift Fund," Sterling Management Group, Inc., http://web.archive.org/web/20041208001456/http://sterlingmgmt.com/Program%20Circular_Charitable%20Gift%20Fund.doc (accessed July 24, 2008).
[271] *In the Matter of Searches Involving 555 Grove Street, Herndon, Virginia, and Related Locations*, No. 02-114-MG, "Redacted Affidavit in Support of Application for Search Warrant," (E.D. VA Oct. 2003).
[272] Ibid, para. 115-116.
[273] Jay T. Rock, "Reflections on a Short Tour in Egypt," *Interfaith Relations*, Presbyterian Church (USA), Nov. 5-15, 2007, http://www.pcusa.org/interfaith/egyptreport.htm (accessed July 22, 2008).
[274] Safa Trust, Inc., Articles of Incorporation (Washington, D.C. 1986) (filed with D.C. Department of Consumer and Regulatory Affairs).
[275] Affidavit of SA David Kane in Support of Application for Search Warrants involving 555 Grove Street in Herndon, Virginia and Related Locations, Attachment D, "Officers and Directors and Their Related Businesses and Organizations," (E.D. VA Oct. 2003).

Islamic unity and the propagation of Wahhabism.[276] As a founder of the IIIT,[277] Al-Alwani established a branch in the United States,[278] which had connections to radical Islamic organizations. As stated previously, IIIT actively participated in conferences sponsored by the ICP[279] and was under grand jury investigation for criminal contempt.[280] Al-Alwani was named as an unindicted co-conspirator in the case against Sami Al-Arian who pled guilty to conspiracy to aid the terrorist organization, Palestinian Islamic Jihad.[281]

The delegation also met with Abul-Ela Maadi, the head and co-founder of the Egyptian Al-Wasat (New Central) Party.[282] Founded in 1996, the al-Wasat Party is a Muslim Brotherhood splinter group that supports the implementation of Sharia law in Egypt.[283]

In 2008 another CEP trip sponsored by ISNA and NPF traveled to Egypt. Some of the programs involved meetings with the web based organization IslamOnline (founded by Muslim Brotherhood spiritual leader Yusuf al-Qaradawi) and Sheikh Ali Gomaa, the Grand Mufti of Egypt,[284] where they received lectures on Sharia and Islamic law.[285] In July 2003 in an interview with the Egyptian newspaper *Al-Haqiqa*, Sheikh Gomaa (Gum'a) expressed his support for suicide attacks and the killing of foreigners:

> Question: "And what is the ruling regarding the martyrdom [i.e. suicide] operations? … "
>
> Sheikh Gum'a: "The one who carries out Fedaii [martyrdom] operations against the Zionists and blows himself up is, without a doubt, a Shahid because he is defending his homeland against the occupying enemy who is supported by superpowers such as the U.S. and Britain."[286]

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[276] "Bio of Taha Jabir al Alwani," Center for Islam and Democracy, 2003, http://www.islam-democracy.org/alalwani_bio.asp (accessed July 22, 2008).
[277] Ibid.
[278] "Interview with Sheikh Taha," *Muslim Democrat* 4, no. 1 (Jan. 2002), http://www.Islamdemocracy.org/documents/pdf/md_january2002.pdf (accessed Jan. 24, 2006).
[279] Affidavit of SA David Kane in Support of Application for Search Warrants involving 555 Grove Street in Herndon, Virginia and Related Locations, Para. 68, p. 38, (E.D. VA Oct. 2003).
[280] Larry O'Dell, "Jailed prof in terror case faces contempt charges," *Associated Press*, June 26, 2008, http://news.yahoo.com/s/ap/20080626/ap_on_re_us/attacks_professor (accessed July 22, 2008).
[281] *U.S. v. Sami Amin Al-Arian*, 8:03-cr-77, "PLEA AGREEMENT" 1, (M.D. FL Feb. 28th, 2006). ; U.S. v. Al-Arian, et al., 03-CR-77, "Superseding Indictment," (M.D. FL Sept. 21, 2004).
[282] Jay T. Rock, "Reflections on a Short Tour in Egypt." *Interfaith Relations*. Presbyterian Church (USA), Nov. 5 -15, 2007, http://www.pcusa.org/interfaith/egyptreport.htm (accessed July 22, 2008).
[283] Anthony Shadid, "Putting God at the Center: Mixing Politics and Religion.," *The Washington Post*, Aug. 8, 2005, p. C1, Lexis-Nexis.
[284] "Citizen Exchange Interview: Interview with Sahar Taman, Project Leader," Islamic Society of North America, Nov. 2007, http://www.isna.net/Interfaith/pages/Citizen-Exchange-Interview.aspx (accessed July 22, 2008). Note: The program met Sheikh Ali Gomaa's representative in 2007.
[285] Ibid.
[286] "The New Egyptian Mufti - Dr. Sheikh 'Ali Gum'a: Opinions About Jihad, Supporting Suicide Bombings, and Forbidding Muslims in the U.S. Military From Fighting Other Muslims," *MEMRI Special Dispatch Series* no. 580. Oct. 1, 2003, http://memri.org/bin/articles.cgi?Page=archives&Area=sd&ID=SP58003 (accessed July 22, 2003).

As demonstrated above the CEP sponsors a number of institutions and individuals, who have connections to and advocated for Islamic extremism and terrorism. The State Department should not be granting access to its officials or funding these groups and their programs.

X. The State Department and the Palestinian American Research Center

The Palestinian American Research Center (PARC) is an organization founded in 1998 which promotes Palestinian studies among students and scholars. It was established as an institutional infrastructure to provide funding for fellowships, logistical support, a network of academic contacts and access to local resources. Its stated goals are to: "increase the range, quantity and quality of scholarship about Palestinian affairs…increasing access to research opportunities…strengthen linkages among Palestinian, American, and foreign scholars and educational, cultural and research institutions."[287] PARC receives money and support from public and private sources – among them the State Department and the Department of Education.[288] Some of this government funding is in the form of sub-grants issued to PARC under the auspices of the Council of American Overseas Research Centers (CAORC) grant.[289] The CAORC itself receives money from the State Department's Bureau of Educational and Cultural Affairs, which it then passes along to "member centers" to carry out their respective missions.[290] PARC is listed as one of CAORC's "Member Centers."[291]

A summary of funding to PARC through government sub-grants from CAORC over the past five fiscal years is as follows:[292]

FY 2008 - $100,000
FY 2007 - $60,000
FY 2006 - $60,000
FY 2005 - $60,000
FY 2004 - $60,000

The fact that PARC receives any government funding whatsoever, never mind between $60,000 and $100,000 per year, is disturbing considering the radical, divisive positions of many of its leaders and the unbalanced views espoused by fellows of the organization. Those serving in the ranks of PARC's leadership include university professors Rashid Khalidi of Columbia University and Charles Butterworth of the University of

[287] PARC mission, http://parc-us-pal.org/mission.htm (accessed on July 21, 2008).
[288] PARC mission, http://parc-us-pal.org/mission.htm (accessed on July 21, 2008).
[289] Congressional source.
[290] "About CAORC," Council of American Overseas Research Centers, http://www.caorc.org/about.html (accessed July 22, 2008).
[291] "American Overseas Research Centers," Council of American Overseas Research Centers, http://www.caorc.org/centers/ (accessed July 22, 2008).
[292] Ibid.

Maryland.[293] Both professors have shown their true colors time and again by way of their radical associations and Islamist apologia. This is quite telling as to the agenda of PARC and should raise questions among U.S. taxpayers as to where their dollars are going.

Before coming to the U.S. and assuming his current role at Columbia, Rashid Khalidi was a spokesman for the Palestine Liberation Organization (PLO) – then headed by Yasser Arafat.[294] He served on the PLO "guidance committee" at the 1991 Palestinian/Israel Madrid Conference[295] and is on record praising the late-Arafat[296] and his second-in-command, PLO terrorist mastermind Abu Iyad (a.k.a. Salah Khalaf).[297] Iyad is said to have been behind the plots to assassinate King Hussein of Jordan and to attack Israeli athletes at the 1972 Olympics in Munich ("Black September").[298]

Aside from his clearly troubling connections and sympathetic stance toward violent terrorists, Khalidi also maintains his own extreme views. In an article penned for the *Journal of Palestine Studies*, Khalidi places the responsibility of conflict in the Middle East solely on Israel's shoulders. To him, violence will continue so long as Israel refuses to relinquish its status as a Jewish State by allowing a full "right of return" for Palestinians. According to Khalidi, such an action would "ensure a final resolution of an issue which will always haunt Israel if it is not finally laid to rest in a mutually satisfactory manner."[299]

Similar to Khalidi, Dr. Charles Butterworth is also highly esteemed within academia; however, his whitewashing of Islamists and connections to terrorist leaders paints a very different picture. In January 2002, after President Bush delivered his first State of the Union address and denounced designated Foreign Terrorist Organizations (FTO) Hamas, the Islamic Jihad and Hizbollah, Butterworth responded by saying that "[h]e is clearly taking the Israeli position." The Bush administration, said Butterworth, is "very happy with the positions of the Israeli government" led by Ariel Sharon, "and that's why we let the Israelis do what they are doing."[300]

Closer to home, Butterworth proved that his support for Islamists went beyond mere words, collaborating with and defending fellow professor and convicted Palestinian

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[293] PARC IRS Form 990, 2001.
[294] Helena Cobban, "Diplomats urge Reagan Planners to Include PLO in Mideast Options," *The Christian Science Monitor*, Jan. 6, 1981, Lexis-Nexis.
[295] Asaf Romirowsky and Jonathan Calt Harris, "Arafat Minion as Professor," *The Washington Times*, July 8, 2004, http://www.washingtontimes.com/news/2004/jul/08/20040708-083635-4366r (accessed July 16, 2008).
[296] Rashid Khalidi, *Under Siege: P.L.O. Decision Making during the 1982 War*, New York: Columbia University Press, 1986, p. vii.
[297] Rashid Khalidi, "Remembrance: Abu Iyad," *Middle East Report*, No. 169 (Mar. - Apr. 1991), p. 4, JSTOR.
[298] "Encyclopedia of the Palestinians: Biography of Salah Khalaf (Abu Iyad)" Nov. 12, 2000, http://www.palestineremembered.com/Jaffa/Jaffa/Story166.html (accessed July 8, 2008).
[299] Rashid Khalidi, "Observations on the Right of Return," *Journal of Palestine Studies*, Vol. 21, No. 2, (Winter 1992), p. 40, JSTOR.
[300] Patrick Andijar, "Mideast Left Out of Spotlight in Bush's First of the Union Speech," *Agence France Presse*, Jan. 30, 2002, Lexis-Nexis.

Islamic Jihad (PIJ) leader, Sami Al-Arian.[301] Al-Arian's long history of extremism is well documented (see section VI, part A). In a 1988 speech made before a Muslim group in Cleveland, Al-Arian shouted, "[t]he Koran is our constitution! Jihad is our path! Victory to Islam! Death to Israel and victory to Islam! Revolution! Revolution until victory! Rolling, rolling to Jerusalem!"[302] And, in separate speeches made in 1991, Al-Arian called Jews "monkeys and pigs"[303] and bellowed, "[l]et us damn America! Let us damn Israel! Let us damn their allies until death!"[304]

Nonetheless, Butterworth has been a staunch Al-Arian advocate. On numerous occasions he has come out in support of his friend and colleague, ignoring the facts about his leadership role with the PIJ. After Al-Arian was fired by the University of South Florida (USF), Butterworth wrote to the President of USF in his defense, noting that he was "shocked and dismayed" at the decision because "[t]he reasons given in justification of Professor Al-Arian's dismissal simply do not withstand scrutiny and thus lead people like myself, who value academic freedom and have dedicated our lives to the academy, to think poorly of USF and of your leadership."[305]

In a more recent case, Butterworth once again came to bat for Al-Arian – this time in favor of him being granted bond. In support of Al-Arian, Butterworth stated: "In all of my dealings with Mr. Al-Arian, I have found him to be utterly trustworthy and reliable."[306]

The one-sided views espoused by fellows of the organization are also equally telling about the agenda of PARC. Not even one of the fellows' articles posted on the website condemns Palestinians for resorting to terrorism and extremism. In contrast, however, there are multiple examples in which PARC fellows condemn Israeli action and promote the idea of one-sided Israeli aggression – particularly the concept of the Palestinian *nakba*, or "catastrophe."[307] In one such example, Diana Allan, a PARC fellow, used

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[301] Note: Charles Butterworth has been a staunch Al-Arian advocate. He wrote: "As one of a number of academics who attended WISE sponsored events and who knows Sami al-Arian as well as other members of the WISE community very well, I am appalled at his arrest. Nothing that I know of Sami al-Arian and none of my experiences with WISE justify the allegations made against him or that organization. What is most galling is that al-Arian has now been arrested on the basis of claims that have never been accorded any credence heretofore." See: Email from Charles Butterworth (cebworth@gvpt.umd.edu) to Charlie Brown (brown@mail.h-net.msu.edu), "Dr. Basheer Nafi and Islamic Jihad," Feb. 23, 2003 01:46 pm, http://h-net.msu.edu/cgi-bin/logbrowse.pl?trx=vx&list=H-Mideast-Politics&month=0302&week=d&msg=tXsWLXyF/U8UvHLZZZpk1g&user=&pw (accessed Mar. 4, 2005).

[302] In the Matter of Mazen A. Al-Najjar, USDOJ EOIR, "Video 711, Service Notice of Filing Videotape Excerpts," Dec. 22, 1988.

[303] "Sami Al-Arian, In His Words," *St. Petersburg Times*, Feb. 21, 2003, http://www.sptimes.com/2003/02/21/TampaBay/Sami_Al_Arian__in_his.shtml (accessed July 23, 2008).

[304] Ibid.

[305] "Letters of Support: Charles Butterworth," http://web.archive.org/web/20030118042102/http://membersites.namezero.com/tbcjp.yahoo.com/academicfreespeech3/los_butterworth.html (accessed Mar. 4, 2005).

[306] *U.S. v. Sami Al-Arian*, 1:08cr131, "Letter in Support of Sami Al-Arian to Judge Leonie Brinkema," (E.D. VA July 4, 2008), http://investigativeproject.org/documents/misc/143.pdf (accessed July 23, 2008).

[307] Note: *Al-Nakba*, "the catastrophe," is the day in which Israel became a state: May 15th.

PARC money to create "an archive of filmed, oral testimonies about al-Nakba (the 1948 catastrophe) with first generation refugees living in camps in Lebanon."[308]

In another example, PARC fellow, Wendy Pearlman, used the platform of her PARC-funded dissertation, to pin the increase in violence after the second Palestinian *Intifada* solely upon the Israelis, blaming "four [Israeli] countermeasures: polices resulting in civilian casualties and property loss, closure of the West Bank and Gaza Strip, policies targeting Palestinian Authority infrastructure and functioning, and extrajudicial killings."[309]

Beyond this, some PARC fellows have even taken on the topic of suicide bombings, providing a defense of Palestinian terrorists, disguised as academic objectivity. One fellow, Lori Allen, seems to write off as "normal" the "resistance to occupation and sacrificing for that struggle."[310]

Though a mere sampling of the attitudes, view, and activities of its board members and fellows, it is clear from the cases of Rashid Khalidi, Charles Butterworth, and the selected fellows above that PARC is not the type of organization that is in America's interest to fund with taxpayer dollars.

XI. Mosques of America Calendar

Just this year, the State Department was selling a 2009 "Mosques of America" calendar in honor of Ramadan, the Muslim holy month. It was billed as "perfect for Muslim outreach efforts, as well as office and event giveaways." While there is nothing wrong with celebrating diversity, this government program violates the concept of the separation of church and state. Aside from the fact that it was made to commemorate a religious holiday, the State Department does not do this for churches, synagogues, or temples.[311]

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[308] "Allan Researches Cultural Transmission in Lebanese Refugee Camps," PARC 2003 Fellowship Articles, http://parc-us-pal.org/fellowships/03-04/main.htm (accessed July 22, 2008).
[309] PARC Newsletter, Spring 2005, p. 15, http://parc-us-pal.org/newsletters/Spring05.pdf (accessed July 23, 2008).
[310] Lori Allen, "There Are Many Reasons Why: Suicide Bombers and Martyrs in Palestine," http://64.233.169.104/search?q=cache:IbkQEWwWWUMJ:www.cidcm.umd.edu/parc/Resources/Palestinian_Studies_Today/studies_papers/allen_merip.html+allen+merip+suicide+bombers&hl=en&ct=clnk&cd=5&gl=us (accessed July 22, 2008).
[311] "2009 Mosques of America Wall Calendar: Limited Edition for Ramadan," Global Publishing Solutions, U.S. State Department, http://209.85.215.104/search?q=cache:H_xbUgu-Nb0J:gps.state.gov/features/publications%3Fgo%3Dview%26id%3D50+%22mosques+of+America+wall+calendar%22&hl=en&ct=clnk&cd=3&gl=us (accessed July 21, 2008). ; See also: "State Dept. promotes 'Mosques in America'," *WorldNetDaily*, July 18, 2008, http://www.worldnetdaily.com/index.php?fa=PAGE.view&pageId=69914 (accessed July 23, 2008).

XII. Funding International Islamist Dialogue

On February 25, 2006, the U.S. Consulate in Pakistan (through the State Department) organized a workshop and thirteen-part videoconference program in collaboration with the Islamic Society of North America (ISNA).[312] The videoconference participants were Muslims in the United States and Pakistan. The goal of the workshop was "promoting awareness among the youth about Islam."[313]

The State Department should not be associated with any programs that promote Da'wah (propagation of Islam) or, for that matter, the promotion of any religious beliefs. The Islamic Society of North America, as explained previously, is an offshoot of the Muslim Brotherhood, and has defended Hamas.

Some statements made at the workshop were sexist and intolerant of other religions and secular society. As a partner with ISNA, the State Department provides legitimacy to these positions. Some of the topics discussed at the workshop include promoting the proselytizing of Islam and how to incorporate Islamic teachings into schools.

For example, in one segment of the video chat that discussed clothing, Pulam Muhamood, a teacher at a school in Karachi, emphasizes the importance of instilling the idea in young girls that women are to cover "the whole body except face, hands, and feet."[314]

In a section on gender issues, one of the speakers promoted separation of Muslim and non-Muslim students. He believes that Muslim students should only interact with other Muslims or the Muslim culture will be unable to perpetuate itself. This type of language breeds intolerance between and among religions.[315] Another speaker says that girls need to know that Islam totally forbids them from talking with boys.[316]

While discussing the culture of the Quran, one of the panelist promoted the use of the Quran in school to supplement teachings on physics, chemistry and other subjects. Another panelist spoke about starting the day with words from the Quran to revive the children's interest in the book.[317]

In the section on teaching tolerance, one of the speakers endorsed preaching Islam to non-Muslims: "We should convince them [non-Muslims], preach them about Islam. If they accept it by themselves, good."[318]

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[312] ISNA Videoconference Transcripts.
[313] "Workshop for Islamiyat teachers held," Daily Times, Feb. 26, 2006, http://www.dailytimes.com.pk/default.asp?page=2006%5C02%5C26%5Cstory_26-2-2006_pg7_12 (accessed July 22, 2008).
[314] "Passing on Islam," Conference, Feb. 25, 2006, Videoconference from Lahore, Pakistan, part 3.
[315] Ibid, program 12.
[316] Ibid.
[317] Ibid, program 5.
[318] Ibid, program 7.

The point here is not to condemn the promotion of Islam within religious schools. The problem is that the United States Department of State should not be providing funds and collaborating on projects that preach the promotion of any religion, as such activities may be in violation of the Establishment Clause of the U.S. Constitution.

XIII. American Embassies Seeking Problematic Partners: Rome, Belgium, and Denmark

The IPT has discovered a troubling pattern in our embassies abroad, particularly in Europe. Ambassadors are engaging in programs intended to serve the goals of public diplomacy that are only serving to legitimize and promote Islamists in Europe and in the United States foreign policy establishment. Three prominent examples in Italy, Belgium, and Denmark are explored here.

A. *Our Man in Rome and Tariq Ramadan*

In May 2006, Tariq Ramadan – the notorious European-based Islamist – spoke at a conference in Rome with Ronald P. Spogli, the U.S. Ambassador to Italy. In fact, the conference was sponsored by the American embassy in Rome.

Tariq Ramadan, a Swiss citizen, has degrees in philosophy, religion, and Islamic studies, having obtained this last degree from Al Azhar Islamic University in Cairo.[319] Tariq's father, Said Ramadan, founded the Islamic Geneva Center in 1961, which is currently headed by Tariq's brother Hani.[320] The center became "a launching pad" for Muslim Brotherhood expansion.

Tariq's father was a well known Islamist and his grandfather was Hassan al Banna, the founder of the Muslim Brotherhood.[321] Tariq's genealogy played a crucial role in his fame as a religious scholar and community leader. His books and videotapes are widely distributed and he is a popular authority on Islam with the European and Arab media. In the mid-1990s, Tariq Ramadan was banned from entering France for suspected links with Algerian extremists, but the ban was lifted shortly thereafter.[322]

In 2003, Ramadan drew criticism for a televised debate with current French President Nicolas Sarkozy. Sarkozy challenged Ramadan for an opinion about whether adulteress Muslim women should be stoned to death, as Islamic law dictates. Rather than condemn

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[319] "Tariq Ramadan," Penguin Books, http://www.penguin.co.uk/nf/Author/AuthorPage/0,,1000071815,00.html (accessed July 18, 2008).
[320] Andrew Hussey, "NS Profile - Tariq Ramadan," *New Statesman*, June 21, 2004, http://www.newstatesman.com/200406210020 (accessed Aug. 20, 2007).
[321] Nicholas Le Quesne, "Trying to Bridge A Great Divide," *Time*, http://www.time.com/time/innovators/spirituality/profile_ramadan.html (accessed July 18, 2008).
[322] Olivier Guitta, "Tariq Ramadan is not a victim," *American Thinker*, Dec. 22, 2004, http://www.americanthinker.com/2004/12/tariq_ramadan_is_not_a_victim.html (accessed July 18, 2008).

the practice, Ramadan advocated a moratorium in order to "open a debate and to show that there is a great deal of disagreement between the scholars."[323]

The Department of Homeland Security revoked Ramadan's visa in July 2004, preventing him from taking a teaching position at Notre Dame University in South Bend, Indiana.[324] Ramadan once made a financial contribution to a French charity linked to Hamas, the charity "Comite de Bienfaisance et de Secours aux Palestiniens" (CBSP), which was blacklisted by the US Department of the Treasury in 2003.[325] Another attempt by Mr. Ramadan to obtain a visa to the United States was denied on September 24, 2006.[326] In December 2007, a federal judge ruled that Mr. Ramadan's financial contributions to organizations that may have supported terrorism constituted a "facially legitimate and bona fide reason" to exclude him from the United States.[327]

In October 2005, Ramadan began teaching at St. Antony's College at the University of Oxford on a Visiting Fellowship.[328] He was also invited in 2005 by the British government to join the Home Office Working Group on Tackling Extremism.[329]

In a lengthy article in the *New Republic*, liberal professor Paul Berman detailed the criticism of Ramadan's views and the criticism they foster. More than half a dozen French writers have published books on Ramadan's ideas, some finding him a resourceful speaker who adapts his lectures to the attending audience. He also has often been accused of being an Islamist, anti-Semitic, and sexist. He has drawn severe criticism from numerous Western public figures, ranging from scholars and journalists to political, religious, and community leaders.[330]

Some of those critics "suspect that clandestinely Ramadan, too, entertains the larger pop-eyed more-than-theological project: a world dominated by Islam, with his Muslim counterculture serving as the future empire's fifth column within Europe, under the ultimate control of the Muslim Brotherhood," Berman wrote.[331]

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[323] "Pulling Up the Welcome Mat," WebChat, *Chronicle of Higher Education*, Sept. 9, 2004, http://chronicle.com/colloquylive/2004/09/ramadan/ (accessed July 18, 2008).
[324] Tariq Ramadan, "A Closed Door," Tariq Ramadan Personal Website, Sept. 25, 2006, http://www.tariqramadan.com/article.php3?id_article=788(=en (accessed July 18, 2008).
[325] "Why Tariq Ramadan lost," *The Washington Times*, Oct. 11, 2006, http://www.washtimes.com/news/2006/oct/10/20061010-090344-6384r/ (accessed July 24, 2008).
[326] Tariq Ramadan, "A Closed Door," Tariq Ramadan Personal Website, Sept. 25, 2006, http://www.tariqramadan.com/article.php3?id_article=788(=en (accessed July 18, 2008).
[327] Tatyana Gershkovich, "Judge Upholds American Exclusion of Islamic Scholar," *New York Sun*, Dec. 21, 2007, http://www.nysun.com/new-york/judge-upholds-american-exclusion-of-islamic/68474/ (accessed July 24, 2008).
[328] "Biography," Tariq Ramadan Personal Website, Aug. 22, 2004, http://www.tariqramadan.com/spip.php?article11 (accessed July 18, 2008).
[329] Vickram Dodd, "Blair backs banned Muslim scholar," *The Guardian*, Aug. 31, 2005, http://politics.guardian.co.uk/terrorism/story/0,15935,1559554,00.html (accessed July 18, 2008).
[330] Paul Berman, "Who's Afraid of Tariq Ramadan," *The New Republic*, June 4, 2007, http://www.tnr.com/politics/story.html?id=fd52e6a4-efc5-42fd-983b-1282a16ac8dd (accessed July 24, 2008).
[331] Ibid.

According to an article in the *New York Sun* about Mr. Ramadan's participation at the American embassy-sponsored conference, Mark Smith, the cultural affairs officer at the embassy said, "Mr. Ramadan was invited by the Centro [Centro Studi Americani in Rome].... The embassy is not providing any funding or other support for Mr. Ramadan's participation in the conference."[332] It is true that the Centro Studi Americani organized the conference and invited the speakers, and Mr. Ramadan did not receive any funding directly from the American embassy to speak, but the embassy did pay for the event and thus was providing support and a platform for Mr. Ramadan. Thus, this is yet another example of the State Department working with counterproductive partners.

B. Islamist Outreach in Belgium

In his written testimony for the Senate Foreign Relations Committee, Tom C. Korologos, the former American Ambassador to Belgium, who left in 2007, spoke proudly of "a new approach to U.S. engagement of Muslims in Europe that we have tested successfully in Brussels."[333]

Ambassador Korologos continued:

> It is an example of the new public diplomacy – based on dialogue, not monologue – designed to supplement the extensive U.S. financial, intelligence, law enforcement, defense, private diplomatic, and other initiatives directed at Islamist extremism in Europe. It is also a model for generating not just a conference or two, but an entire movement of mainstream Muslims across Europe to ease Muslim alienation and combat extremism.[334]

The goals outlined here by the ambassador are commendable, but it seems curious that in an effort to counter Islamist extremism, his public diplomacy has been co-opted by Islamists in the United States and Europe. Programs sponsored by the embassy are being run by the Islamic Society of North America (ISNA), the Council on American-Islamic Relations (CAIR), and the Forum of European Muslim Youth and Student Organizations (FEMYSO, detailed below.

The website for the U.S. Embassy in Belgium's public diplomacy program for Muslims notes that, "The Islamic Society of North America, the largest Muslim organization in the U.S., will develop and fund a series of exchange programs for Belgian students, teachers and imams."[335] In November 2005, the American embassy in Copenhagen co-sponsored and funded a conference with ISNA's help. According to the embassy's public diplomacy website, "ISNA played a major part in facilitating the planning of the conference from the US side and was represented by the Secretary General, Dr. Sayyid

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[332] Rachel Ehrenfeld, "When in Rome..." *New York Sun*, April 19, 2006, http://www.nysun.com/opinion/when-in-rome/31210/ (accessed July 18, 2008).
[333] Tom C. Korologos, United States Ambassador to Belgium, Senate Foreign Relations Committee Subcommittee on European Affairs. *Islamist Extremism in Europe*, 109th Cong., 2nd sess., April 5, 2006.
[334] Ibid.
[335] "Follow-on Initiatives," Muslim Dialogue, Muslim Communities in the U.S. and Belgium, http://www.muslimdialogue.be/ (accessed July 18, 2008).

M. Syeed."[336] At the conference, an official from FEMYSO, Michael Privot, gave a speech about a joint project between them and the Muslim Students Association of the United States and Canada (MSA).[337]

A representative from CAIR, Arsalan Iftikhar, was also present at the conference. He was quoted in an U.S. Newswire story: "We were honored to be a part of such a ground-breaking dialogue and hope this conference can serve as a prototype for similar gatherings in Europe and North America."[338] CAIR is a partner in the embassy's public diplomacy program. CAIR is addressed in detail earlier in this testimony in the section about the State Department and Islamist events.

Sayyid Syeed is one North America's original Muslim Brotherhood operatives. Syeed was the president of MSA-national from 1980 to 1983. In that capacity, he was one of the founders of ISNA in 1981. From 1984 to 1994, Syeed was the director of academic outreach at the International Institute of Islamic Thought (IIIT, see above section, "The Coordinator for Counterterrorism and IIIT, for information on IIIT). In 1988, he also became the secretary-general of the International Islamic Federation of Student Organizations (IIFSO) and held that position for two years. After he left IIIT, he returned to ISNA and became its secretary-general.[339]

In 1981,[340] American-based members of the Muslim Brotherhood founded the Islamic Society of North America (ISNA).[341] ISNA's close relationship with the Brotherhood appears to have continued far beyond its initial roots. For example, Ahmed Elkadi, who headed the Muslim Brotherhood in the US from 1984 to 1994[342]served on ISNA's Executive Council in 1984.[343] Elkadi was also chairman of the ISNA affiliated Islamic Coordinating Committee established in September 1991 at the 28th annual ISNA

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[336] "Muslim Dialogue Conference," Muslim Dialogue: Muslim Communities in the U.S. and Belgium, http://www.muslimdialogue.be/muslim_Dialogue_Conference.htm (accessed July 18, 2008).
[337] "Photo MDC21," Conference Photo Gallery, Muslim Dialogue: Muslim Communities in the U.S. and Belgium, http://www.muslimdialogue.be/gallery/index.htm (accessed July 18, 2008). Note: Privot collaborated with MPAC's Salam al-Marayati (See discussion in section IV, State Department's Islamist Advisors for more) on an article about their participation with Ambassador Korologos' program, entitled, "A Muslim Declaration of Independence," Nov. 25, 2005, *The Providence Journal*, http://www.mpac.org/article.php?id=5 (accessed July 28, 2008).
[338] "CAIR Participates in Dialogue with European Muslims; U.S. - Sponsored Gathering Focused on Muslims in the West," *U.S. Newswire*, Nov. 18, 2005, Lexis-Nexis.
[339] M.M. Ali, "Dr. Sayyid Muhammad Syeed," *Washington Report on Middle East Affairs*, April 30 1998, http://www.wrmea.com/backissues/0498/9804035.html (accessed July 24, 2008).
[340] "Articles of Incorporation, Islamic Society of North America," Office of the Secretary of State of Indiana, July 14, 1981.
[341] John Mintz and Douglas Farah, "In Search of Friends Among the Foes," *The Washington Post*, Sept. 11, 2004, A1, http://www.washingtonpost.com/wp-dyn/articles/A12823-2004Sep10.html (accessed July 24, 2008).
[342] Noreen S. Ahmed-Ullah, Sam Roe, and Laurie Cohen, "A Rare Look at Secretive Brotherhood in America," *The Chicago Tribune*, Sept. 19, 2004, C1, http://www.chicagotribune.com/news/specials/chi-0409190261sep19,0,5695696.story (accessed July 24, 2008).
[343] "ISNA Executive Council," *Islamic Horizons*, Jan. 1984, p. 2.

conference in Dayton, Ohio.[344] ISNA honored Elkadi with its Community Service Award in 2001.[345] Similarly, Jamal Badawi – a founder of the Muslim American Society (along with Elkadi),[346] the primary Brotherhood organization in the US[347] – serves on ISNA's Majlis Ash-Shura.[348] ISNA also presented Badawi with its Community Service Award in 2000.[349] MAS' current Secretary General Shaker Elsayed was formerly ISNA's Educational Director.[350]

ISNA's magazine, *Islamic Horizons*, glorifies Muslim Brotherhood luminaries. For example, Muslim Brotherhood founder Hassan al-Banna adorns the cover of the March/April 1999 issue of *Islamic Horizons*. The caption reads "Hassan al-Banna—A Martyr of Our Times."[351] *Islamic Horizons* often publishes articles and opinion pieces by key Brotherhood figures such as Yusuf al-Qaradawi and Hassan al-Turabi.[352] In an interview published in the March/April 2001 edition of *Islamic Horizons*, al-Turabi stated, "I do not think that it is only a dream, but there is a possibility not only for America to be Islamized, but also in fact to develop as the role model of Islam."[353] Al-Turabi was the head of the National Islamic Front, which the US Government has condemned for supporting terrorism, launching a genocidal war in southern Sudan, and for continued human rights violations.[354] Al-Turabi also gave Osama bin Laden sanctuary in Sudan.[355] ISNA's online store sells works by prominent Brotherhood figures, including Hassan al-Banna, Sayyid Qutb, and Yusuf al-Qaradawi.[356]

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[344] Ahmed Elkadi, Chairman of the Islamic Coordinating Council, "Open Letter to Muslims in North America," *Islamic Horizons*, Spring 1992, p. 14.
[345] "IDF Announces Recipients of the 2004 Community Service Award," ISNA Listserv Newsletter, Oct. 1, 2004 ; ISNA, "Another Successful Convention," *Your Money at Work, 2001 Year in Review*, 2001, p. 3.
[346] "Articles of Incorporation, Muslim American Society," Office of the Secretary of State of Illinois, June 11, 1993.
[347] Noreen S. Ahmed-Ullah, Sam Roe, and Laurie Cohen, "A Rare Look at Secretive Brotherhood in America," *The Chicago Tribune*, Sept. 19, 2004, C1, http://www.chicagotribune.com/news/specials/chi-0409190261sep19,0,5695696.story (accessed July 24, 2008).
[348] "ISNA Board of Directors," ISNA, http://www.isna.net/ISNAHQ/pages/Dr-Jamal-A-Badawi.aspx (accessed July 24, 2008).
[349] "IDF Announces Recipients of the 2004 Community Service Award," ISNA Listserv Newsletter, Oct. 1, 2004 ; ISNA, "Another Successful Convention," *Your Money at Work, 2001 Year in Review*, 2001, p. 3.
[350] Betsy Barlow, "Much Remains to Be Done," *The Washington Report on Middle East Affairs*, Vol. 24, no. 1, June 1995, p. 82, http://www.wrmea.com/backissues/0695/9506076.htm (accessed July 24, 2008). ; Kevin Mayhood, "Muslim Leader Says Backlash Was Severe," *The Columbus Dispatch*, May 6, 1995, 3C, Lexis-Nexis.
[351] "Hassan al-Banna – A Martyr of Our Times," *Islamic Horizons*, Mar. - April 1999, front cover.
[352] Jim Landers, "Muslim Extremists Justify Violence on Way to Restoring Divine Law," *The Dallas Morning News*, Nov.3, 2001, Washington Dateline, Lexis-Nexis.
[353] Esa Syeed, "Advantage: Muslim America," *Islamic Horizons*, Mar. - April 2001, pp. 46-47.
[354] Senate Committee on Foreign Relations. *Relating to the Activities of the National Islamic Liberation Front Government in Sudan*, 106th Cong., 1st sess., June 15, 1999, S.Res.109, http://frwebgate.access.gpo.gov/cgi-bin/getpage.cgi?dbname=1999_record&page=H4241&position=all (accessed Feb. 14, 2007).
[355] National Commission on Terrorist Attacks Upon the United States, *9-11 Commission Report*, Sept. 20, 2004, p. 57, http://www.9-11commission.gov/report/911Report_Ch2.pdf (accessed June 22, 2006).
[356] "Islamic Books, Audio, Video, Software, & Gifts," ISNA Website, formerly at http://www.isna.net, 2005, copy available at: http://www.investigativeproject.org/documents/misc/155.pdf (accessed July 24, 2008).

In June 2007, as federal prosecutors were preparing for the July trial of the Holy Land Foundation for Relief and Development (HLF), a charitable organization accused of funneling money to Hamas, the government submitted its trial brief summarizing the evidence against the defendants, as well as releasing a list of "Unindicted Co-conspirators and/or Joint Venturers."[357] In tandem, these actions illustrate how Hamas operatives and front groups - known collectively as the Palestinian Committee of the Muslim Brotherhood - have operated in the United States. Both documents are highly revealing, and, for the first time ever, officially link the Islamic Society of North America and several ideological partner organizations[358] to the American branches of Hamas and the Muslim Brotherhood.

In testimony to Congress in 2006, former Ambassador Korologos, boasted of ISNA's contribution, stating:

> The Islamic Society of North America, the largest Muslim organization in the United States, announced a package of internships, scholarships and exchanges for Belgian imams and Muslim leaders, teachers and students to come to the United States to engage further with the U.S. Muslim community.[359]

This effectively enabled a Muslim Brotherhood affiliated organization to use the U.S. Embassy in Brussels as a platform to legitimize a program that may serve to school Belgian Muslims in Islamist ideology.

Brussels-based FEMYSO was founded in 1996. On its website, it claims to be

> a wide network of 37 member organisations, bringing together youth from over 40 countries. It is now a well-known European INGO (is this supposed to be INGO? Is it an International-NGO). Over the last 4 years it has become the de facto voice of Muslim Youth in Europe and is regularly consulted on issues pertaining to Muslims in Europe and has developed useful links with the European Parliament, the Council of Europe, the United Nations and a host of other relevant organisations at the European level.[360]

Interestingly, FEMYSO's homepage still condemns the targeted assassination in 2004 of Ahmed Yassin, the former spiritual leader of Hamas, condemning it as "an act of state terrorism."[361] Ibrahim El Zayat, FEMYSO's former president, was investigated by

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[357] *U.S. v. Holy Land Foundation for Relief and Development, et al.*, 3:04-cr-240, "Attachment A," (N.D. TX Aug. 2007), http://www.investigativeproject.org/documents/case_docs/423.pdf (accessed July 24, 2008).

[358] Note: Other organizations and individuals named in these documents have shared numerous events, joint projects and committees with ISNA over the last decade.

[359] Tom C. Korologos, United States Ambassador to Belgium, Senate Foreign Relations Committee Subcommittee on European Affairs. *Islamist Extremism in Europe*, 109th Cong., 2nd sess., April 5, 2006.

[360] "About Us," FEMYSO, http://www.femyso.net/about.html (accessed July 21, 2008).

[361] "Israel killed Sheikh Ahmed Yassin," FEMYSO, http://www.femyso.net/yassin.html (accessed July 21, 2008).

Germany for financial irregularities and possible support of al Qaeda.[362] An official website of the Muslim Brotherhood identified El Zayat as a member of the Muslim Brotherhood, but El Zayat denied it.[363] El Zayat was under investigation on Egypt for illegal activities related to his Brotherhood ties.

Under "Useful Websites," the embassy's public diplomacy website lists the websites for ISNA, CAIR, the Muslim Public Affairs Council (MPAC), and MSA.

MPAC was founded in 1988 as a non-profit social welfare organization with 501 (c) (4) tax status.[364] Since its inception, MPAC has often appeared to attempt to distract the public from issues pertaining to terrorism and Islamism, mainly by obfuscating the facts concerning terrorist attacks and government actions against terrorists and their financiers. For example, on the day of the 9/11 terrorist attacks, in reference to possible perpetrators, MPAC Executive Director and co-founder Salam al-Marayati commented that "we should put the state of Israel on the suspect list."[365] MPAC has consistently opposed U.S. government efforts to shut down terrorist financiers by arguing that authorities "have not proven their allegations" against organizations such as the Holy Land Foundation (HLF), Benevolence International Foundation (BIF), and Global Relief Foundation (GRF)[366] and alleging that measures taken against these organizations due to terrorism ties alleged by the U.S. government "bare [sic] strong signs of politicization."[367] MPAC called the March 2002 SAAR raids in Northern Virginia "fishing expeditions"[368] inspired by the "foreign-interest lobbies in the United States."[369]

Considering what MPAC has on its website, it seems curious that an American Embassy should link to it. A 2003 MPAC paper on counterterrorism on the MPAC website accuses the U.S. of hiding its true political intentions: "The [U.S.'s] preoccupation with these groups raises the question as to whether targeting Palestinian groups serves true national

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[362] Ian Johnson, "Islamic group's ties reveal Europe's challenge," *Wall Street Journal*, Dec. 29, 2005, http://online.wsj.com/article/SB113582317237133576-search.html?KEYWORDS=How+Islamic+Group%27s+Ties+Reveal+Europe%27s+Challenge+---+A+Conduit+to+Mainstream%2C+Muslim+Lobbyist+Also+Has+Some+Fundamentalist&COLLECTION=wsjie/6month (accessed July 25, 2008).

[363] "Ibrahim El-Zayat says he is not member of the MB," Muslim Brotherhood, Feb. 19, 2007, http://www.muslimbrotherhood.co.uk/Home.asp?zPage=Systems&System=PressR&Press=Show&Lang=E&ID=6372 (accessed July 21, 2008).

[364] Salam Al-Marayati, Senate Judiciary Committee. *An Assessment of Tools Needed to Fight the Financing of Terrorists,* 107th Cong., 2nd sess., Nov. 20, 2002, http://www.mpac.org/popa_article_display.aspx?ITEM=281 (accessed July 12, 2004).

[365] Larry Stammer, "Jewish-Muslim Dialogue Newly Tested," *The Los Angeles Times*, Sept. 22, 2001, http://articles.latimes.com/2001/sep/22/local/me-48579 (accessed July 25, 2008).

[366] "A Review of U.S. Counterterrorism Policy: American Muslim Critique & Recommendations," MPAC, Sept. 2003, p. 59, http://www.mpac.org/bucket_downloads/CTPaper.pdf (accessed May 24, 2006).

[367] Ibid.

[368] "MPAC's Case Statement on March 20th Raids," MPAC Press Release, Mar. 27, 2002, http://web.archive.org/web/20040507010150/http://www.mpac.org/popa_article_display.aspx?ITEM=162 (accessed July 25, 2008).

[369] Ibid.

security interests or is based on political considerations."[370] The same paper adds: "Many nations remain highly skeptical of US terrorist designations. This is reflected in the reluctance of nearly all other nations, including US allies in Europe and elsewhere, to designate groups such as Hizbullah and Hamas as terrorist organizations…To qualify as an FTO…is essentially a political exercise…"[371]

The Muslim Students Association (MSA) of the United States and Canada was incorporated in January 1963, when members of the Muslim Brotherhood[372] came together at the University of Illinois Urbana-Champaign with the goal of "spreading Islam as students in North America."[373] On its website, MSA-National describes itself as "a non-profit, 501(c) (4), tax-exempt organization that finances itself mainly by fundraising activities."[374] Explaining the role MSA leadership played in governing the Muslim Brotherhood in North America in the 1960s and early 1970s, Naman said, "I mean the most important resolution the Group might have taken was who was going to be a member of the MSA's executive committee."[375]

At the 7th annual MSA West Conference held at the University of Southern California in January 2005, a former MSA UCLA member, Ahmed Shama stated, "We want to restore Islam to the leadership of society…We are trying to establish that system of government, of Islamic governance, and to the helm of life in all walks of life. In short, we want to make the word of Allah (swt) supreme in every single aspect of life…The end goal of everything that we're talking about is the reestablishment of the Islamic form of government…"[376]

Are CAIR, ISNA, MPAC, MSA, and FEMYSO the partners we want to seek out to fight extremism? If it was not so damaging to U.S. foreign policy and strategic interests, it would be impressive that Ambassador Korologos managed to bring in almost every significant Islamist organization from the United States and FEMYSO, Europe's most significant student Islamist organization, under one roof in Brussels. This was, of course, at the expense of non-Islamist Muslim organizations, such as the American Islamic Conference, the Islamic Supreme Council of North America, and the American Islamic Forum for Democracy. If there is one positive to this story, it is that despite the controversy surrounding his appointment (which is obviously outside the scope of this

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[370] "A Review of U.S. Counterterrorism Policy: American Muslim Critique & Recommendations," MPAC, Sept. 2003,p. 62. http://www.mpac.org/bucket_downloads/CTPaper.pdf (accessed July 12, 2004).
[371] Ibid, p. 27.
[372] Noreen S. Ahmed-Ullah, Sam Roe, and Laurie Cohen, "A Rare Look at Secretive Brotherhood in America," *The Chicago Tribune*, Sept. 19, 2004, C1, http://www.chicagotribune.com/news/specials/chi-0409190261sep19,0,5695696.story (accessed July 24, 2008).
[373] "A Little Taste of History," MSA-National, http://web.archive.org/web/20060118061004/http://www.msa-national.org/about/history.html (accessed May 14, 2007).
[374] "Frequently Asked Questions About MSA of the US & Canada," MSA-National, http://www.msanational.org/about/faq/ (accessed July 25, 2008).
[375] Ibid., p. 7.
[376] Ahmad Shama, "Global Islamic Movements," Speech, Striving for Revival: Student Activism for Global Reformation: 7th Annual MSA West Conference, University of Southern California, Jan. 14 - 17, 2005.

hearing), the current Ambassador, Sam Fox, does not appear to be continuing his predecessor's counterproductive policies.

C. Iftar in Copenhagen

In 2007, a series of Iftar dinners were held by U.S. ambassadors in countries with substantial Muslim populations to commemorate the end of the Islamic holy month of Ramadan. A request under Freedom of Information Act for the guest lists of these dinners has not yet been fulfilled by the State Department, but some information is known about one of these dinners. It was held at the residence of James P. Cain, the American ambassador to Denmark.[377] The guest list included Safia Aoude[378] – a well-known Islamist that was embroiled in a scandal earlier this year for linking to Holocaust-denier David Irving's website from her blog,[379] Abdul Wahid Pedersen[380] – a proponent of polygamy,[381] and Mohammed Albarazi[382] – a member of the delegation of Danish Muslims who toured the Middle East showing the Danish political cartoons that sparked violence, riots, and protests around the world. Albarazi told the world on *Al-Jazeera*, in the midst of the hysteria surrounding the Danish Cartoons Crisis, that the Danes were going to burn the Quran.[383] Following that false statement, the Danish embassy in Damascus was attacked.[384]

Aoude bragged about the dinner on her blog and posted pictures from the event. She also included a link to the website of David Irving in the context of her comments about the differing views on the Holocaust. In 1998, a British court found that Irving was "an active Holocaust denier; that he is anti-Semitic and racist and that he associates with right-wing extremists who promote neo-Nazism."[385] Aoude was candidate for the Conservative Party in the Copenhagen district Oesterbro and was forced to leave the party over the Irving web-link controversy.[386]

It is notable that no one from the most prominent non-Islamist Muslim organization in Denmark, Democratic Muslims, led by Danish parliamentarian Naser Khader, was invited to the event. This organization was founded to provide a voice for Muslims in

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[377] Naser Khader, "Something's Rotten in Denmark," The Hudson Institute, Feb. 4, 2008, http://www.futureofmuslimworld.com/research/pubID.79/pub_detail.asp (accessed July 22, 2008).
[378] Ibid.
[379] Lars Hedegaard and Helle Merete Brix,"Zyklon B and the Conservatives," *Sappho*, Mar. 18, 2007, http://www.sappho.dk/Den%20locbendc/zyklonbenglish.html (accessed July 22, 2008).
[380] Confidential source.
[381] "Kendt imam accepterer flerkoneri," Jyllands-Posten, May 23, 2007, http://jp.dk/indland/article948408.ece (accessed July 22, 2008).
[382] Naser Khader, "Something's Rotten in Denmark," The Hudson Institute, Feb. 4, 2008, http://www.futureofmuslimworld.com/research/pubID.79/pub_detail.asp (accessed July 22, 2008).
[383] M.T., "The lies of Al Jazeera and Al Arabia," History News Network, Feb. 8, 2006, http://hnn.us/readcomment.php?id=78033&bheaders=1 (accessed July 29, 2008).
[384] Syrian protesters set fire to embassies," Associated Press, Feb. 4, 2006, http://www.guardian.co.uk/world/2006/feb/04/religion.syria (accessed July 29, 2008).
[385] "Holocaust Denial on Trial, Trial Judgment: Electronic Edition, by Charles Gray," Emory University, http://www.holocaustdenialontrial.org/trial/judgement/13.71.1 (accessed July 28, 2008).
[386] Naser Khader, "Something's Rotten in Denmark," The Hudson Institute, Feb. 4, 2008, http://www.futureofmuslimworld.com/research/pubID.79/pub_detail.asp (accessed July 22, 2008).

Denmark that reject the divisive and intolerant messages promoted by Islamists in Denmark associated with the Muslim Brotherhood, Hizb ut-Tahrir, and other extremist organizations and movements.[387]

On October 20, 2007, an analyst at the IPT followed up on this story and called the U.S. Embassy to Denmark in Copenhagen. Tom Leary, the head of the Press Office at the embassy, claimed that moderate Muslims were also invited to the dinner, but refused to provide the guest list when asked.[388] Mr. Leary confirmed that Safia Aoude, Abdul Wahid Pederson, and Mohammed Albazari were in attendance.[389] He also later said that they had invited the entire board of Aoude's organization, Muslims in Dialogue,[390] as he believed they had a strong voice in the Muslim community in Denmark on issues of integration.[391] Of Aoud, Pederson, and Albarazi, he said that he did not want to get into the debate on their records and said, "I don't consider them to be extremists," but quickly added that he does not agree with most of what they say.[392] Mr. Leary repeatedly said that they "invited a cross section of the Muslim community in Denmark, including secular Muslims and observant Muslims."[393] At that point in the conversation, the IPT analyst said that Mr. Leary's assertion would be stronger if he were to provide the names of such secular or moderate Muslims, but he declined to do so.[394]

Along with the examples in Belgium and Italy, the Denmark case demonstrates a clear pattern of U.S. embassies abroad choosing Islamic extremists and individuals with extremist ties to represent the face of Islam.

XIV. Conclusion

The State Department has embraced Islamist organizations and leaders through its flawed policies on outreach and its choosing of partners. Each State Department meeting, conference call and "dialogue" event, increases the stature of these groups and their officials among their membership and beyond.

In a panel sponsored by the Hudson Institute focusing on the Muslim Brotherhood in Europe, Mr. Khader, the aforementioned founder of Democratic Muslims, made an astute point that effectively sums up the entire problem with the State Department's policies. He explained: the fight against extremism and for democracy is weakened when "the United States ambassador in Denmark, James P. Cain…invite[s]… several Danish members of

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[387] "Demokratiske Muslimer," http://www.demokratiskemuslimer.dk/ (accessed July 22, 2008).
[388] Telephone Interview with Tom Leary, Oct. 20, 2007.
[389] Ibid.
[390] "Muslimer i Dialog og DM-Aid deltog i Vandlobet," Muslimer I Dialog, http://www.m-i-d.dk/default.asp?side=artikler&id=129 (accessed July 22, 2008).
[391] Telephone Interview with Tom Leary, Oct. 20, 2007.
[392] Ibid.
[393] Ibid.
[394] Ibid.

the Brotherhood to the ambassador's residence" including "a well-known denier of Holocaust…an Islamist."[395]

"Do I think that we shouldn't have any dialogue with these people?" Khader continued. "No. We can listen to what they have to say, but some…seem to think that dialogue means to lie flat on your stomach for their own democratic ideas."[396] In much the same way, it is essential for the State Department to keep its ear to the ground at all times, while refusing to fund or further the goals of Islamists.

At the end of the conversation between the IPT analyst and Mr. Leary of the American Embassy in Copenhagen discussed above, the press officer said, "Reaching out to Muslims is an important part of the work we do here and we are going to keep doing it." This is, of course, not the issue. No one is suggesting that the State Department end outreach to Muslims all around the world. The question is: why should the State Department spend U.S. taxpayer dollars to work with Islamists who actively oppose the foreign policy goals of the United States and subscribe to a supremacist, oppressive ideology? The fundamental question boils down to: Is the State Department using the Islamists to advance its agenda, or are the Islamists using the State Department to advance their own?

[395] Naser Khader, Panel IV: "The Islamic Movement in The New World: The Brotherhood in Europe." The Hudson Institute, Oct. 16, 2007, www.hudson.org/files/documents/MB%20Transcript%204a.pdf (accessed July 25, 2008).
[396] Ibid.

Mr. SHERMAN. Thank you.

STATEMENT OF MR. DOUGLAS FARAH, SENIOR INVESTIGATOR, NINE ELEVEN FINDING ANSWERS FOUNDATION, SENIOR FELLOW, INTERNATIONAL ASSESSMENT AND STRATEGY CENTER

Mr. FARAH. Thank you. I would like to thank you for the opportunity to testify here today, and I will give a brief summary of my written testimony.

We are facing a world that is changing more rapidly than we often recognize, a world that is being pulled by two strong but contradictory forces. The first is global integration through free trade, the dawn of the Internet age, movement of money at lightening speeds and mass migrations.

The second is toward global disintegration. As states implode, government structures fracture under the scourges of corruption, poverty and ethnic rivalries, and the massive traffic in small weapons gives more and more groups the possibility of waging conflict at very low cost.

The changes across the globe have been swift and dramatic. As Mr. Scott noted earlier, in 1996, the World Bank judged 11 states to be failing across the world. By 2003, the number had risen to 17, and by 2006, the number is 26 and growing.

These changes are important because they give rise to new hybrids that make the traditional distinction between terrorism and organized crime, particularly drug trafficking impossible to sustain.

What draws these groups together is overt state sponsorship for terrorism has been curtailed or the shadow facilitators who understand how to exploit the seams in the international legal and economic structures and who work with both terrorist and criminal groups. Both groups use the same pipelines, the same illicit structures, and exploit the same state weaknesses. Of the 43 foreign terrorist organizations, as Congressman Royce noted earlier, designated by the State Department, the Drug Enforcement administration says 19 have clearly established ties to drug trafficking.

These pipelines, I believe, will be the pipelines that will be used to move nuclear material if there is a terrorist attack on the United States using nuclear weapons of mass destruction. This trend is most visible in the wave of high profile drug busts in remote West African countries, the same countries where one finds growing recruitment efforts across the spectrum of radical Islam from al-Qaeda and affiliated groups on the Sunni side to Hezbollah and Iran on the Shi'ia side.

One cannot fight terrorism without fighting the financing that brings social and economic collapse and without cutting off the revenue sources of terrorist and criminal groups now often drawn from the same pool.

Our approach to combating terrorism, and the aid we give, is often limited by our confinement to dealing with individual states one at a time, an increasing number that are classified as failing, but this is no longer sustainable.

One important distinction often not made is between nations where the government has little or no power over certain regions as opposed to states where the government has a virtual monopoly

on power, but turns the state into a functioning state criminal exercise. I discuss other variations of this in my written testimony.

A quick look at Liberia from 1997 to 2003 underscores the advantages of having access to a criminal state that in areas that concern criminals and terrorists is quite efficient. In Liberia, the state fulfilled none of the traditional roles such as providing basic education, health service, sanitation, garbage collection, or even mail delivery. Yet under Taylor the extraction of timber, diamonds and gold were carried out relatively efficiently.

Groups whose operations Taylor sanctioned in Liberia included al-Qaeda, Hezbollah, Russian organized crime, Israeli organized crime, South African organized crime, and illegal operations by the People's Republic of China timber companies violating international timber laws.

The fact is that on the ground we are still lacking a holistic approach that looks beyond single countries to regions into the crippling weaknesses of the international regimes that were designed to combat crime in bygone eras.

Where a country wants to bring order to its ungoverned spaces, the traditional types of aid are viable. Colombia and Mexico in this hemisphere are clear examples of states making heroic and costly efforts to contain non-state narco actors and terrorists.

In criminal states, such aid is neither wanted nor useful. It simply serves to strengthen corrupt and brutal regimes, unless it is on such a small scale and so specifically targeted that it escapes the predatory state.

I would like to focus on one case with which Congressman Royce I know is intimately familiar because I think it offers a model of how to leverage our foreign aid, use information sharing among U.S. and allied intelligence services, and work with closely vetted units among our allies.

This is the case of Victor Bout, a Russian weapons trafficker who supplied weapons to the FARC in Colombia, the Taliban in Afghanistan, as well as most of Sub Sahara in Africa's most notorious war lords. I believe he is the prototype of the 21st century facilitator of the criminal/terrorist network and his capture offers several important lessons.

Bout exploited multiple weaknesses in the international regime, obtaining diplomatic passports and hiding his aircraft registrations in criminal states such as Liberia, Equatorial Guinea and the Central African Republic. He obtained end-user certificates for weapons that ultimately ended up with terrorist organizations and his organization thrived on the ability to cheaply deliver hundreds of thousands of automatic weapons and tens of millions of rounds of ammunition to anyone who could pay for them.

In relation to what the prior panel said on vetting, in this case it simply didn't work. Despite an executive order naming Mr. Bout as an enemy of the United States and tied to the Taylor regime in Liberia, in multiple OFAC orders that sought to freeze his assets and listed him also as an enemy of the United States, he continued to fly hundreds of flights for the United States into Iraq and reap millions of dollars in U.S. taxpayer money as he did so.

This is the type of activity that make shadow facilitators so dangerous, in large part because almost nothing he did in those mul-

tiple transactions across more than a decade were actually illegal. We simply don't have an international legal regime that criminalizes what he did.

What lessons can be drawn from his arrest in March in Thailand? I think there are three things.

The first is the integrated use of human intelligence in targeting Victor Bout. Bout had always stayed several steps ahead of United States and European efforts to arrest him until the DEA came up with a new approach to successfully draw on Bout's personal weaknesses as well as the weaknesses of his business model and thought well outside the box about how to get him.

The second is that this human intelligence was supplemented by the use of legal wiretaps carried out by several allied nations from Romania to Denmark, The Netherlands' Antilles to Thailand. This international cooperation was vital and has the additional benefit of being evidence that is admissible in U.S. courts.

Interagency cooperation, third, when needed, was strong and ongoing.

But the road ahead remains rocky. While the Thai police have been effective in helping U.S. officials carry out the operation to put Mr. Bout in jail, we are now having to navigate a weak judicial system in a country in the midst of political crisis.

The issue pending is Mr. Bout's extradition to the United States to stand trial. The formal hearings for the request have twice been postponed, an ominous sign that Mr. Bout and his backers inside the Russian Government at very high levels are doing everything they can to subvert the Thai judicial process.

There is no single answer to the question that this subcommittee asked as to whether U.S. aid should be contingent on a country's counterterrorism efforts given the variety of interests in any particular state. However, I think the Bout case offers some guidelines for saying yes as a general rule.

Should the Thai judiciary not carry out its clear obligation on this case, such action must be taken into account in future counterterrorism dealings with Thailand. I would be hard pressed to think of a higher priority in combating terrorism, and more broadly, the terrorist nexus of which Mr. Bout is a primary facilitator, than having Mr. Bout stand trial in the United States where the charges have been filed. It should be made amply clear that there will be significant consequences if Mr. Bout is not extradited.

On the other side, if possible, enhanced aid, particularly to the police Thai units that capably and willingly helped carry out the arrest at some personal risk, should be considered, and I think as you look at counterterrorism aid, you need to look at who should be rewarded and who should be cut off as the process moves forward.

Thank you very much.

[The prepared statement of Mr. Farah follows:]

PREPARED STATEMENT OF MR. DOUGLAS FARAH, SENIOR INVESTIGATOR, NINE ELEVEN FINDING ANSWERS FOUNDATION, SENIOR FELLOW, INTERNATIONAL ASSESSMENT AND STRATEGY CENTER

Mr. Chairman:

I would like to thank the Subcommittee for inviting me to testify on the issues related to leveraging foreign aid and the fight against terrorism and proliferation.

My main areas of expertise are small arms proliferation and the criminal/terrorist nexus and I will stick to what I know. I am speaking for myself and not the organizations I work for.

There is growing recognition that there is no purely military solution in the fight against terrorism, whether the use of this tactic is driven by religion (radical Islamism), ideology and nationalism (Tamil Tigers), control of natural resources or "honey pots" (multi-pronged wars in the Democratic Republic of Congo, recent wars in Sierra Leone and Liberia) or a mixture of these elements (The FARC in Colombia, Taliban in Afghanistan, Hezbollah in Lebanon and the janjaweed in Sudan). Other panelist have stressed the need to build solid state institutions, bring good governance and deal with the underlying social issues that give rise to terrorist recruitment and popular support.

I look at the issues a little differently. We are facing a world that is changing more rapidly than we often recognize, a world that is being pulled by two strong but contradictory forces:

The first trend is global integration through free trade, the dawn of the Internet age, movement of money at lightening speed and mass migration. As Thomas Freidman has aptly described it, in many ways the world is now flat. Borders are often little more than imaginary lines on a map. Goods and capital flow further and faster than any time in history.

The second trend appears to be contradictory to the first, and that is toward global disintegration as states implode, government structures fracture under the accumulated scourges of corruption, poverty and renewed ethnic rivalries, and the massive traffic in small weapons that gives more and more groups the possibility of waging conflict at very little cost.

The changes across the globe have been swift and dramatic, demonstrated in a snap shot drawn from three World Bank studies[1] and a recent survey by Foreign Policy Magazine and the Carnegie Endowment for International Peace.[2] Both sets of studies use metrics of economic development, state legitimacy, human rights, demographic pressures, public services and citizen security to determine where countries rank on a global scale.

Those nations at the bottom have become know as "failed states" or "fragile states," terms that have come into vogue to describe the growing areas of the world that lie beyond the control of central governments.

In 1996 only 11 states were judged to be failing across the world. By 2003, a scant seven years later, the number had grown to 17 and by 2006 the number was 26.

These changes are important because they give rise to new hybrids that make the traditional distinction between terrorism and organized crime, particularly drug trafficking, impossible to sustain.

What draws these groups together, as overt state sponsorship for terrorism has been curtailed, are the shadow facilitators who understand how to exploit the seams in the international legal and economic structure, and who work with both terrorist and criminal organizations. Both groups use the same pipelines, the same illicit structures, and exploit the same state weaknesses, and are increasingly overlapping. Of the 43 Foreign Terrorist Organizations listed by the State Department, the Drug Enforcement Administration says 19 have clearly established ties to drug trafficking and many more are suspected of having such ties.[3]

This trend is accelerating, and is most visible in the recent wave of high-profile drug busts in remote West African countries, the same countries where one finds growing recruitment efforts across the spectrum of radical Islam, from al Qaeda and affiliated groups on the Sunni side to Hezbollah and Iran on the Shi'ia side.

As Antonio Maria Costa, the head of the United Nations Office on Drugs and Crime recently wrote in a recent op-ed in the Washington Post, this epidemic of drugs and drug money flooding Guinea Bissau, Guinea, Sierra Leone and elsewhere has become a security issue. "Drug money is perverting the weak economies of the region . . . The influence that this buys is rotting fragile states; traffickers are buying favors and protection from candidates in elections."[4]

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[1] "Engaging with Fragile States: An IEG Review of World Bank Support to Low-Income Countries Under Stress," The World Bank, September 2006, Washington, D.C., accessed at http://www.worldbank.org/ieg.

[2] "The Failed State Index 2007," Foreign Policy Magazine, Jul7–August 2007, pp. 54–63.

[3] DEA Chief of Operations Michael Braun at a July 18, 2008 speech to the Washington Institute for Near East Policy, accessible at: http://www.washingtoninstitute.org/templateC07.php?CID=411

[4] Antonio Maria Costa, "Cocaine Finds Africa," The Washington Post, July 29, 2008, p. A17, viewed at: http://www.washingtonpost.com/wp-dyn/content/article/2008/07/28/AR2008072802466.html

I would argue that one cannot fight terrorism without fighting the conditions that bring social and economic collapse and rot to a system, or without cutting off the revenue sources of terrorist and criminal groups, now often drawing from the same pool, yet very few of our resources are directed toward that. The Taliban groups in Afghanistan are a clear example of terrorist organizations deriving the bulk of their funding from illicit drugs (opium and heroin) for the increasingly-lethal attacks against U.S. and NATO forces. Until those funds are cut off, the military campaign against the Taliban faces daunting odds.

Our approach to combating terrorism, and the aid we give, is often limited by our confinement to dealing with individual states as entirely separate entities. But this is an increasingly unsustainable.

As a recent report by Centre for Strategic Studies in The Hague elaborated on the concept, noting that terrorists "seek out the soft spots, the weak seams of the Westphalian nation-state and the international order that it has created. Sometimes the territory's boundaries coincide with the entire territory of a state, as with Somalia, but mostly this is not the case. Traditional weak spots, like border areas are more likely. Terrorist organizations operate on the fringes of this Westphalian system, in the grey areas of territoriality."[5] In order to help refine the discussion on terrorist sanctuaries, the authors propose looking at "Black Holes" that can be transnational in nature, rather than focusing on failed states. The report identifies 41 "black holes" in the non-Western world. Most involve at least two countries, often more.

This concept is correct, but incomplete. One important difference that studies like this do not make is the distinction between nations where the state has little or no power in certain areas that may overlap into other states, and states where the state in fact has a virtual monopoly on power and the use of force, but turns the state into a functioning criminal enterprise for the benefit of a small elite. A third variation is when a functioning state essentially turns over or franchises out part of its territory to non-state groups to carry out their own agenda with the blessing and protection of the central government or a regional power.

Many parts of Colombia, along with Somalia and the Tri-Border Area in South America fit the first category and could be considered "black holes." These areas serve as safe havens where non-state actors (the FARC, drug trafficking organizations, black marketeers in pirated software, DVDs and CDs, Hezbollah, Hamas) can operate with little fear of reprisals from the state. These areas also are useful for on-the-ground training (see the IRA training of the FARC rebels or the Yair Klein/ Israeli training of the Medellin cartel).

Afghanistan under the Taliban and Liberia under Charles Taylor are examples of the second category. A quick look at Liberia (1997–2003) underscores the advantages of having access to a criminal state where the state itself is strong and, in areas of concern to the criminals or terrorists, quite efficient. Some of the same advantages, although not on the same scale, apply to opium growers and heroin traffickers in Afghanistan.

In Liberia, the state, while failing to meet the basic needs of its people and fulfilling virtually none of the traditional roles of states (defending national borders, providing basic education and health services, sanitation, garbage collection, mail delivery), had a virtual monopoly on power as well as control of the "honey pots." Under Taylor's direction, the extraction of timber, diamonds and gold were carried out with relative efficiency, but the benefits went to Taylor, his inner circle and those outsiders doing business with him.

While able to control points of entry and exit, the control was used to grant protection to terrorists and internationally wanted criminals, who in turn were able to bring economic benefit to the Liberian elite. The groups whose operations Taylor sanctioned included al Qaeda, Hezbollah, Russian organized crime, Israeli organized crime, South African organized crime and Chinese (PRC) timber companies violating international timber laws.

Sudan, with its support of the janjaweed for ethnic cleansing, and Hezbollah with the support of Iran and Syria to carry out proxy military activities in Lebanon, Latin America and elsewhere, are examples of the third category. States essentially franchise out to non-state actors the jobs they do not want to do or cannot do. This gives the non-state groups a range of operational freedom within the confines of the sphere of influence of their state sponsor. It also provides a financial mechanism for the control of areas that may be considered stateless but in fact fall under the control (at times contested) of non-state armed groups. All three types of can provide

[5] Rem Korteweg and David Ehrhardt, "Terrorist Black Holes: A Study into Terrorist Sanctuaries and Governmental Weakness," Clingendael Centre for Strategic Studies, The Hague, November 2005, p. 22.

hospitable conditions for non-state armed groups to flourish, and all compose different legs of the pipeline, with specific strengths and weaknesses.

The fact is that, on the ground, we are still lacking a holistic approach that looks beyond single countries to regions and the crippling weaknesses of the international regimes that are designed for a bygone era. In areas where the country is functional and wants to bring order to it ungoverned spaces, the traditional types of aid are more viable. Colombia and Mexico, in this hemisphere, are clear examples of states making heroic and costly efforts to contain the influence of non-state actors, particularly criminal and terrorist groups.

In criminal states or states that franchise out their brutality, such aid is neither wanted nor useful. It simply serves to strengthen corrupt and brutal regimes, unless it is on such a small scale and so specifically targeted that it escapes the predatory state. This often escapes our thinking in planning aid efforts, particularly in counter-terrorism.

But there is some progress being made. I would like to focus on a case, well-known to some of you, that offers a model for how to leverage our foreign aid, use information sharing among US and allied intelligence services and work with closely-vetted units among our allies.

Two important shadow facilitators have been arrested in the past 18 months thanks to outstanding work by the Drug Enforcement Administration (DEA). These are Monzar al Kassar, a Syrian weapons trafficker who armed numerous terrorist groups, and Viktor Bout, a Russian weapons trafficker who supplied weapons to the FARC in Colombia, the Taliban in Afghanistan, Islamist guerrillas in the Philippines, as well as most of sub-Saharan Africa's most notorious leaders and rebel movements, including Charles Taylor of Liberia, the UNITA rebels in Angola and the Revolutionary United Front (RUF) in Sierra Leone.[6]

I want to focus particularly on Viktor Bout, because I believe he is the prototype of the 21st century facilitator of the criminal/terrorist networks, and his operations offer clear examples of what I am talking about. His capture offers several important lessons. In describing this, I am using Bout's indictment in the Southern District of New York and other open source information.

Bout successfully exploited various weaknesses in the international regime, which allowed him to operate with impunity for more than a decade. He was able to obtain diplomatic passports, and hide his aircraft registrations in criminal states such as Liberia, Equatorial Guinea and the Central African Republic. He obtained end user certificates for weapons that ultimately ended up with terrorist organizations such as the Taliban and the FARC. His organization preyed on weak states and the ability to cheaply deliver hundreds of thousands of automatic weapons and tens of millions of rounds of ammunition to anyone who could pay for them.

I want to go through just one documented case of dozens to illustrate how the system works.

From July 1997 to October 1998, planes flying for Bout's Air Cess company made 37 flights with weapons from Burgas, Bulgaria, the center of Bulgarian weapons production, to the West African nation of Togo, a nation smaller than West Virginia and with a population of about 5.6 million. Bout had spent parts of the previous two years visiting different weapons factories in Bulgaria and setting up a network for future shipments. Then he or his clients forged a series of Togolese End User Certificates and provided the forgeries to a company called KAS Engineering, based in Gibraltar, an offshore haven. The company names where the weapons would be purchased were real and the certificates could pass as genuine.

KAS Engineering, using the forged EUCs and an apparently-false affidavit empowering the company's Sophia, Bulgaria office to represent the government of Togo, then contracted for the weapons in Bulgaria. Bout's aircraft would deliver the shipments. "Some of the end-user certificates had been provided to the representative of KAS Engineers (Gibraltar) through the captain of a flight coming from Togo and some by express mail from Dubai, United Arab Emirates," the U.N. investigation found. "Further investigations disclosed that the mail was sent by a Mr. Victor Bout."[7]

The routes of the weapons were fairly standard. The planes flew out empty from Ostend, Belgium. They headed for Burgas to load the weapons. Most of the flights

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[6] For a more complete view of Bout's activities, see: Douglas Farah and Stephen Braun, *Merchant of Death: Money, Guns, War and the Man Who Makes War Possible*, J. Wiley and Sons, August 2008. For Bout's indictment in the U.S Southern District of New York, see: http://counterterrorismblog.org/Bout%20Indictment%20%282%29.pdf

[7] "Final Report of the Monitoring Mechanism on Angola," S/2000/1225, Dec. 21, 2000, paragraph 36; Interpol Red Notice for Victor Bout, Feb. 28, 2002.

then transited through Nairobi, Kenya and Khartoum, Sudan, listing their final destination as small airstrips either in the DRC or in Kenya.[8]

On paper the transactions appeared legal, among thousands that are carried out each year. No questions were raised. No one selling the weapons in Bulgaria was required to explain why a peaceful small African nation, with a tiny military that had relied for 40 years on French weapons, suddenly needed to spend $14 million for Soviet bloc weapons, including 15 million rounds of ammunition; 20,000 82 millimeter bombs; or 6,300 anti-tank rockets.[9] The answer, of course, is that Togo did not receive the weapons at all. They were sent on to the UNITA rebels in Angola.

This is the type of activities that make the shadow facilitators so dangerous. Those weapons could have been (and in other cases were) destined to groups at war with the United States and seeking to kill U.S. citizens.

How was he finally arrested, and what lessons can be drawn?

1) The integrated use of human intelligence in identifying, targeting and getting close to Viktor Bout. Bout had always stayed several steps ahead of U.S. and European efforts to arrest him, but none of the previous plans had successfully penetrated the inner circles of his operation, as this one did. The successful plan drew on studying his character and developing a specific project to take advantage of Bout's personal and professional weaknesses.

2) This human intelligence was supplemented by the use of legal, judicial wiretaps, carried out by several allied nations, from Romania to Denmark, the Netherlands Antilles to Thailand. This seamless international cooperation was vital, and hard-won. It is a key to leveraging U.S. aid and goodwill to achieve the key U.S. policy goal of arresting Mr. Bout. It has the additional benefit of being admissible in U.S. courts. Where technological help was needed, it was provided, but always with the full participation of the host agencies.

3) Inter-agency cooperation, where needed, was strong and ongoing. Agents in the Department of Homeland Security and members of the intelligence community were able to work together, despite occasionally-differing views of the importance of Mr. Bout as a target.

The road ahead remains rocky. The Thai police have been cooperative, diligent and effective in helping U.S. officials carry out the operation and in jail. But that is not the end of the road. The political landscape and weak judicial system must now be navigated, and this is where questions of U.S. aid can be addressed.

The primary pending issue in Mr. Bout's case is his requested extradition to the United States to stand trial. The formal hearing on the request has twice been postponed, in an ominous sign that Mr. Bout, and his backers inside the Russian government, are doing everything they can to subvert the Thai judicial process. These efforts include offering lucrative oil and gas deals, as well as military cooperation, to the government in exchange for Mr. Bout return to Russia, where he would be, in reality, a free man. In Russia, several proposals have surfaced, such as trying Mr. Bout for tax evasion, rather than terrorism and crimes against humanity.

The fact that the postponements have been approved is both troublesome and heartening. Troublesome because the delays show the Thai judiciary is unwilling, so far, to press forward with a clear-cut, judicially-valid extradition request that meets both Thailand's requirements and those of the United States. Heartening because they show that so far Mr. Bout and his allies have not succeeded in buying his way out.

A question posed by this subcommittee is whether U.S. aid should be contingent or conditional on a country's cooperation in counterterrorism efforts. There is, of course, no single answer to that, given the competing interests any government has in its international relationships.

However, I think the Bout case offers some guidelines for saying yes in specific cases. In the Bout case, all judicial guidelines were followed and the host government was fully apprised of the operations. The extradition request was turned in on time, and was accepted by the Thai government as such. Its initial cooperation was a model of efficiency and bilateral efforts.

Should the Thai judiciary not carry out is clear obligation in this case, then I think that has to be taken into account in future counterterrorism dealings with Thailand. I would be hard pressed to think of a higher priority in combating terrorism, and more broadly, the criminal/terrorist nexus of which Mr. Bout is a primary facilitator, than having Mr. Bout stand trial. That can only take place in the United States, where the charges have been filed.

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[8] "Final Report of the Monitoring Mechanism on Angola," S/2000/1225, Dec. 21, 2000, paragraph 37.

[9] "Final Report of the Monitoring Mechanism on Angola," S/2000/1225, Dec. 21, 2000, paragraphs 32–38.

The Bout case offers a textbook example of how to leverage U.S. aid to pursue U.S. policy goals. We cannot and should not try to match different efforts to bribe or coerce the Thai judiciary. But it should be made amply clear that there will be significant consequences if Mr. Bout is not extradited. And, if possible, enhanced aid, particularly to the Thai police units that capably and willingly helped carry out the arrest, should be considered.

Thank you.

Mr. SHERMAN. Thank you. I am going to first recognize our ranking member for questions.

Mr. ROYCE. Thank you, Mr. Chairman, very much, and let me just say that, Doug Farah, I just returned from Liberia, and I increasingly realize that a lot of what we know about the nature of these criminal terrorist networks and the way in which they help undermine and create a concept of the criminal state, as you are discussing, a lot of what we know in the West about this is because of the journalists that have been on the ground reporting about the conditions, and having been in that environment in Liberia, now that there is some stability in Liberia, I can only imagine what it was like for the journalists like Doug Farah who were out there in that environment reporting on blood diamonds, child soldiers, mass amputations of civilians.

It is always the case that after this happens people ask how could this possibly happen? Who knew?

What we do know generally is made available to us by the journalists who take the risk, who go there on the ground and do the research, and frankly in many ways the same is true of Steve Emerson's work, the risks they take in going out and tracking down a Victor Bout and report to us, you know, about how it is that these weapons get into the hands of these child soldiers or how it is that governments fall and are replaced with what becomes almost a criminal syndicate.

I wanted to ask you, Mr. Farah, you talked a little bit about Victor Bout, and as you know, the chairman here and I share your focus, and I appreciate his signing very much the letter that we sent to the Government of Thailand. But this hearing is about leverage, and how can we leverage greater Thai assistance with respect to making certain that Victor Bout is not released to a Russian delegation?

The Russians would very much like to get him out of Thailand, and is it realistic that a country like ours who respects the rule of law can compete with the Russian gas and weapons deals that they have to offer, and the way they bring leverage to bear when we get to an issue like international justice? Although sometimes we know we can succeed. Charles Taylor facing the War Crimes Tribunal is a case in point. Stability is coming and elections coming back to Liberia is a case in point.

But what about this case? What do you see there?

Mr. FARAH. Well, Congressman, thank you for your kind words.

I think at the end of what you were just saying, I think you hit on the crux of the matter which, to me, is the problem, is that is, we are not playing on an even playing field. If someone can come in and offer weapons systems, gas, and lots of money, you only need one weak link in the chain for that to break. Victor Bout only has to be unwatched for 30 minutes to disappear. You do not need

the minister of justice, you do not need the high minister of Thailand to be active at all.

And so I think that we in this case have been doing an admirable job on the ground there. I understand that the U.S. Ambassador has meet with the Prime Minister on numerous occasions. The Attorney General has been there to show—in part to show U.S. interest. And I think that, as I said, I think that the weakest links are the ones when you get down into the units where people feel they are not appreciated and are very underpaid.

And one of my things in dealing with these groups across different parts of the world is that a little appreciation with those groups goes really a long way. If you can boost their salaries to be competitive, not so they are getting rich, but so they are getting competitive police salaries and don't need to take corruption.

I think the only other real leverage we have besides threatening to do things that we are not going to carry out, which I think is always worse than not making the threat at all, is to keep a public focus on this, and I would like to also thank Chairman Sherman for this because he and you have both exercised a lot of time on this, and I think that this is really the leverage that we have, is the embarrassment factor that we hope will outweigh the economic factors when people are considering what to do.

I think the third alternative is that the Russians will decide that they would rather not have him testify anywhere, and he will simply not make it out of jail alive.

Mr. ROYCE. Well, Charles Taylor was an awful lot of work and an awful lot of time. Occasionally justice prevails.

Mr. Emerson, you testified that it has become clear that the policies of the State Department that govern grants outreach engage with Islamic organizations and individuals are deeply flawed. Do you believe that the State Department is capable of reform because that is what we are talking about here? Actually, changing this institution so that it works in the interest of the United States.

Mr. EMERSON. Congressman, that is a great question. I do not know that they are capable given the preponderance of programs that they support which legitimize and subsidize radical Islamists in the United States, and even overseas. I don't know that the State Department is capable of exercising the proper due diligence or oversight over all of these programs. You almost need someone; you need a separate ombudsman for counter terrorism to oversee merely the State Department programs. As I know Mr. Tancredo knows, there is almost a problem of their being out of control.

Now, this does not mean that every single State Department program is bad. What it does mean is that there is a lack of oversight and a lack of discipline over the programs that do outreach to radical Islamic groups.

I would like to also just ask that for the record a letter that was submitted the other day by Senators Coburn and Kyl for the State Department to stop funding Islamists be submitted for the record because it details even additional programs that I have not——

Mr. SHERMAN. Without objection, so ordered.

Mr. ROYCE. Very good. Let me ask you another point because you previously testified before Congress about the U.S. border insecurity created by that delayed implementation of departure controls

segment of the U.S. Visa Program, and I wonder if you could tell the committee about that problem.

Mr. EMERSON. Well, first of all, the U.S. Visa Waiver Program recently was indirectly invoked by Secretary Chertoff when he spoke about the weakness of the United States and the likelihood that radical Islamic terrorists would be entering the United States using European visas, and that is because, one, European countries are much more lax in granting citizenship and passports to radical Muslim asylum applicants than we are in terms of doing due diligence. But once they acquire a British, Danish, French, or Dutch passport, they can enter the United States immediately, and then have children, and those children, by the way, are automatically granted citizenship because they were born here.

And we have a situation today where hundreds of children of known Islamic terrorists that have either been deported or convicted are now allowed to live in the United States with full citizenship because of the laws that say no matter whether a family was illegally here, anybody born here is granted citizenship, and I think there is a danger here. I am not against citizenship being given to legitimate applicants but I think there is a danger here in affording it automatically to children of terrorists.

Mr. ROYCE. And we do not track their departure, right?

Mr. EMERSON. Absolutely not. No tracking at all.

Mr. ROYCE. And this was one of the 9/11 Commission's recommendations in terms of making certain there wasn't another attack?

Mr. EMERSON. This was part of their recommendations that border security be considered an essential element of counterterrorism.

Mr. ROYCE. So somehow after we spent all of that money and all that time with the 9/11 Commission telling us how do we secure the United States and make certain we do not have another attack, somehow we have gotten off onto a lot of different tangents, we have not followed through with the core recommendations on this issue that they say are imperative.

Mr. EMERSON. Congressman, you are 100 percent right.

Mr. ROYCE. Let me go back to Doug Farah for a question if I could because, Doug, you spent a lot of time focusing on the nexus between narcotics and terrorism, and Afghanistan is a prime example.

There was a piece in last Sunday's New York Times, it was in the New York Times Magazine actually, it was by Thomas Schweich, and he is the former point man for counternarcotics, and he painted a very grim picture of the situation there in the country, and according to him U.S. counternarcotics policy is seriously hampered by divisions within our own Government, first of all, and the second, by the corruption that exists within Afghanistan. The Defense Department has not had an appetite for a counterdrug mission, and I was wondering, do you hope that these obstacles can be overcome and that this nexus can be addressed in a serious way, or what is your view of what is happening there on that issue?

Mr. FARAH. Well, I think that as you see state sponsorship of terrorist organizations being pushed back and the Taliban can go to Saudi Arabia nearly as easily now as it did in its first incarnation,

the FARC has no outside sponsorship in Colombia, so it was heavily into drug trafficking, you are drawing from the same pool of resources. The narcotics/drug trafficking is by far the easiest because it is so incredibly lucrative. I think if you, you can look at different examples and see what happened.

I think in Colombia you see a clear recognition over time that these groups form a threat to the state and political will is formed well down the line, but formed, and these groups are taking on, and we can see the state of the FARC today.

I think that my sense is that in Afghanistan there is no recognition internally that is a major problem, and as long as corruption is able to spread the way it does with impunity, and I have talked to—I have a lot of friends who work a lot in Afghanistan—you are not going to get at the crops and you are not going to get at the spread of the rot through the internal structure of the government. Until there is a political will inside the country to fight it, it is just not worth doing. It is simply not worth doing.

Mr. ROYCE. Thank you very much, Mr. Chairman.

Mr. SHERMAN. Thank you. I think it is important in these hearings that we distinguish between talking to those who may even be on the other side and funding. Our deceased chairman of the full committee, Tom Lantos, spent over 10 years trying to get a visa to go to Tehran to speak to that regime, which is clearly on the other side of the war on terrorism. I think when we talk we have to make sure that we are not giving a seal of approval or a boost in status, but there are certainly ways to gather information and just because people hate us does not mean that they do not have something interesting to say. But we have to draw the line when we fund these organizations.

I think one of the greatest fears of people in the United States is somebody may call you a racist. Now, they may call you an Islamophobe, and what we have seen with some of these organizations is their message is clear. Give us money or we will call you an Islamophobe, or do not question—that is what they say to State Department operatives. What they say to us in Congress is do not question the fact that we are getting money or we will call you an Islamophobe.

In my opening statement I focused on two or three USAID mistakes. I want to mention another one. In 2000, USAID discovered they gave financial aid to Hamas through the Holy Land Foundation and Relief Development, HLF, a nonprofit organization who is currently being prosecuted for money laundering to Hamas.

Now a grant from the State Department, Bureau of Education and Cultural Affairs, has been indirectly traced to the Islamic Society of North America, one of the organizations that does not think Mr. Emerson should be testifying, or that these hearing should take place, and an organization listed as a co-conspirator in that same legal action.

Mr. Emerson, how can we improve monitoring and enforcement mechanisms for aid to make sure the State Department is not giving money to the wrong people? What would a good antiterrorist screen look like, and how do we diffuse this fear among some of the folks at the State Department that the best way to prove that they

are not Islamophobes is to give money to organizations that spread hate against the United States?

Mr. EMERSON. Well, first of all, there are organizations, Islamic NGOs and Islamic groups and leaders that are genuinely moderate, and that condemn Hezbollah, al-Qaeda, that condemn radical Islamic fundamentalism, that condemn the Muslim Brotherhood's theology of totalitarian Shariah being imposed on everyone, and those are the groups and leaders that should be recognized, legitimized, dialogued with, and funded. That is number one.

Number two——

Mr. SHERMAN. If I can interrupt, should we have as a rule for funding any group that is supposed to be working with us on American-Muslim dialogue reform where the organization is part of their application for a grant specifies have your leaders condemned Hezbollah, have your leaders condemned Hamas, and if they are unable to demonstrate that they have condemned those two organization, that they will not be eligible for—I am not saying that this would be part of our foreign aid program to NGOs in Paraguay working with indigenous populations, but a form that would be used whenever we are dealing with the Middle East or Muslim outreach organizations? Should that be part of the requirement to apply for a grant?

Mr. EMERSON. Absolutely. A set of criteria should be publicly required to be asked of any recipient of U.S. funds whether they condemn unequivocally radical Islam theology, they condemn unequivocally the violent terrorist acts of Hamas and Hezbollah, whether they condemn unequivocally the terrorist front groups in the United States and urge that they be shut down. And any equivocation or obscuration in response to that should be used appropriately in not giving them the grants.

I do not want to deny them their civil rights in maintaining even support for jihad. They are entitled to do that. But there is no constitutional right to get funding or recognition from the State Department. You know, much as the same way that anyone applying for a visa to the United States has to state have you ever been arrested for being a member of a terrorist group. And if they lie about that, that is grounds for exclusion. And if they are, that is also grounds for exclusion.

So I think that criteria which has not been applied in the past must absolutely be applied now and uniformly to anybody who is considered to be a partner for, a recipient of or any recognition by the State Department.

Mr. SHERMAN. I hate to ask you to supplement the record since your opening statement has more footnotes than any opening statement ever submitted to this subcommittee, I would say. I do not know whether you are number one in pages but you are number one in footnotes. But if you could identify which programs and/or bureaus at the State Department should add to their list as a requirement, because again I do not want somebody working with indigenous peoples in Paraguay to have another piece of paper to fill out, but which programs, agencies, and I am sure I am going to ask the State Department for this as well, should add to their already voluminous list of forms to fill out when applying something on

Hezbollah and something on Hamas and something on the Islamic Brotherhood.

Mr. EMERSON. Let me just add one thing. I think that it is imperative that certain criteria be applied by asking these groups certain questions, but I also think independent of that, because many of these groups will lie as they have, as the ones that protested this hearing claiming they are antiterrorism, one group in particular is the de facto arm of the Muslim Brotherhood and has supported Hamas and Hezbollah, and yet they claimed in an e-mail yesterday they were antiterrorism. So clearly they are lying. I think that there has to be an independent due diligence conducted by State Department officials using the public record, and if they have classified information, which many of them have access to, use it as well. That is the purpose of intelligence collection.

Now, having said that there are certain programs at the State Department that have been disproportionately involved in inviting, funding or supporting radical Islamists, and that includes the International Leadership Program. That includes the Bureau of—I will tell you in a second here. That includes the State Department's outreach program and USAID. That includes the Citizen Exchange Program. That includes the Undersecretary of State for Public Affairs, and public outreach, which has been enormously involved in legitimizing uncritically members of Muslim Brotherhood circles. It even includes the coordinator for counterterrorism.

Now, I am not suggesting that the current one has been involved in anything untoward, but the previous one certainly was in doing outreach and providing support for a radical Islamic group, the International Institute of Islamic Thought, that is on record through affidavits by DHSH David Kane as suspected of being part of a global terrorist organization.

There was a recent grant of $500,000 given by the State Department to a group that is coordinating—that is part of AMSS, which itself is connected to the International Institute of Islamic Thought, and I think therefore this criteria from providing aid, providing a platform to groups that visit the State Department or sending State Department officials to attend their conferences.

You know, one of the most surprising things is when I see the transcripts or the videos or audios of the State Department speeches to radical Islamic groups, what I do not see is any renunciation of radical Islamic theology or any willingness to challenge these groups to renounce this ideology. Instead they treat these groups as if they are, you know, members of legitimate organizations that are equivalent to mom and apple pie, and nothing could be further from the truth or more dangerous.

Mr. SHERMAN. We all want to believe that the people we meet are reasonable and believe in peace as we do. That is a natural human desire. I would feel better about the world if it were true. And it becomes easier to do that if the person you are talking to tells you with a straight face that they believe in peace, and it is even more likely to happen if there is this subtle undercurrent that if you question that, you are an Islamophobe.

So it is not surprising that there is a tendency to accept what we wish were true, and that is that all these groups were dedicated to peace and opposed to terror.

I look forward to working with you to design a form and to figure out which State Department bureaus should add it to their requirement that if you are applying for this or that type of aid that you have to fill it out both to identify whether you have condemned Hamas, the Brotherhood and Hezbollah, and if you have had a board member who has praised those organizations, what have you done about it? Because I do not want to take the position that just because an organization in the past has had board members that were a problem, that they are forever banned, but rather that this is an area of inquiry, and what matters is what has that organization been up to and what has its leadership been up to in the recent past.

But I do not think you can cleanse an organization just because they have not sinned recently. It has to be renunciation of support for terrorism.

So I look forward to working with you on this. A lot of the fault lies with a Congress that has shirked its role in foreign policy by not passing authorization bills. I mean, the place we would put any provision like what I am talking about would be in a State Department authorization bill, but if you do not have an authorization bill, but you do have an authorization committee, then it looks like Congress is doing its job. We have got hearings. People can watch the hearings. But without seeing us actually pass an authorization bill, we are not doing our job.

So whether it is by pressing the State Department or whether it is by legislation, we somehow have got to get them as a formal part of their process, where applicable, to examine this issue.

With that I will yield to Mr. Tancredo.

Mr. TANCREDO. Thank you, Mr. Chairman. I could not agree more with you in terms of the peculiar situation we face in terms of having authorization committees and the illusion of congressional oversight in that regard, but I think the last time I can remember looking into this sometime ago there were over 200 and some programs that we are operating that had not been either authorized to begin with or reauthorized after they were formed.

First of all, let me say to both of our witnesses here today that I admire you both. I admire your courage. I admire the work you have done for years in this area, and America is better off as a result of the fact that you have been so dogged in your determination to shed light in an area that so desperately needs it, so I truly admire both of you.

And I know I know that you are under attack and threats and that sort of thing, and sort of—I don't know if I want to say "humorous" incident occurred in the last year or so when I had the—when Pakistan, I believe it was, Islamabad, I was burned in effigy, and along with President Bush and Barack Obama, and the peculiar thing about it, somewhat humorous thing about it was the fact that the thing that said "Death to Tancredo," and then "death" was spelled wrong, but "Tancredo" was spelled right. [Laughter.]

Mr. EMERSON. At least it was only in effigy.

Mr. TANCREDO. That is exactly right.

Let me get to the point that has, or to a situation that has certainly been perplexing to me, and I think to a number of people here, and that is when we start talking about failed states, by the

way, it seems to me that Mexico is approaching that particular category, that designation. When you look at over 4,000 people killed that we know of in the drug wars going on there, either being killed by the cartels, other members of the cartels, or government officials, mayors, city council people, police chiefs, a town as I understand it not too far from our border was under siege awhile back, and the government troops were trying to retake this town from—600,000 people or so from the control of the cartels, 120 policemen had fled the scene. It just goes on and on, the degree of corruption that is involved here, and permeates the country, the society.

And then we passed something out of here anyway that appropriates $1.5 billion in something that is called Merida Initiative for purposes of trying to help Mexico deal with this.

In your opinion, either one of you, what is the hope that something like that can actually achieve the goal and reduce the potential for a true catastrophe in Mexico that will have enormous ramifications for the United States in so many ways as opposed to having all of the equipment and a lot of the money that goes along with this end up in the hands of the people who are our enemies?

We have done this before as you know. Some of the people down there, I think it is referred to—what is the organization that——

Mr. FARAH. Paramilitary, Azethas.

Mr. TANCREDO. The Azethas. That we helped trained under the same rubric as the initiative. So what is your opinion as to the possibility of success of such an initiative?

Mr. FARAH. Congressman, I think that it depends entirely on the political will of the country, and I lived through the process in Colombia where we went through the Medellin cartel and then the Cali cartel going through, and basically aid at that point was wasted. It was a waste of money because there was no one to give it to. It was like putting it into a black hole.

Colombia had the great good fortune to come across a combination of a police chief and others who were honest and began the long slow process of cleaning up, and I think you see today a radically different Colombia largely because the political leadership was there and were willing to—and my sense is having spent time in Mexico recently, that Mexico is also at that juncture.

I think the recognition is that these groups pose a threat to their state, and I think one of the reasons why you see such a high degree of violence is that these groups are now under enough pressure they feel they have to respond, and their inter-cartel wars as their main people have been extradited or killed are also lethal because you get hit men running cartels instead of businessmen running cartels, and all they know how to do is pull triggers, and you see this massive blood flow.

My personal opinion is that Mexico is a different place now than it was even 2 years ago, that this new administration offers the hope of actually being able to turn the corner because they have the political will and they are willing to punish their own people. I cannot guarantee it, and you're right, the Azethas came out of the Gofas, and the Gofas were trained by us as the mobile helicopter units. They were going to go out and do that, and they deserted

on the Mostas to Azethas, and when it came to the Azethas 400 at a time for better pay and a nicer life.

So there certainly is no guarantee. My sense is in Mexico for the first time they are as scared as the Colombians were when the Colombians turned the corner, and I think that that is important.

Mr. TANCREDO. That is encouraging.

Mr. FARAH. I do not know what the balance—how you can parse that and disagree where the emphasis but I think on a macro level I think that is true.

Mr. TANCREDO. Some time ago there were reports that the MS–13 had actually contact with al-Qaeda and they were going to use the groups that were established by MS–13 and other organizations. Do you know if there is any truth to those kinds of things? I do not know whether I should say rumor or actual reports.

Mr. FARAH. My strong sense is this, Congressman, that you have a series of pipelines that connect criminal and terrorist organizations which come through the MS–13 and other groups across their border every day, and I do not think my sense is, and I have dealt with the MS–13 significantly—10 years. I spent a lot of time with some of their gangs reporting on them. They are terrified in doing something that will bring severe repercussions from the Latino community in this country. So my sense is that they don't—will not bring al-Qaeda here knowing that it was al-Qaeda and they want to blow us up.

On the other hand, if you look like me or you are second generation Hezbollah operative who have managed to come in through Venezuela on the flights that fly now to Tehran weekly, and you do not need a visa to come in, and by the way, you stop over in Damascus on your way in, and you have Daniel Ortega in Nicaragua who has a long history of issuing multiple false documents to numerous terrorist organizations over a period of 20 years, if those people are coming up to the pipeline the gangs will take MS–13 and bring them across our border without thinking twice about it.

I think if you showed up in a robe and a beard and said, hi, my name is Osama bin Laden, they would probably say no thank you. If you showed up like me and said, oh, you look "tudiko" as they call them, and I could pay, they would happily bring me across without any consideration or thought about—especially, and I think this is the danger and if you look across Latin America, you now have both Venezuela and Nicaragua willing and able to issue legitimate documents that are—false documents to people who are coming in with terrorist background who can get into our country legally with documents that we cannot challenge because they are actually legitimate documents from countries that we do not normally suspect of doing things.

Mr. TANCREDO. Thank you very much, gentleman. And again thank you for your service. Really I mean it. You have done great work. Thank you, Mr. Chairman.

Mr. SHERMAN. Thank you. I think we will do a second round. We may not use our whole 5 minutes each but you guys will be out of here relatively soon.

Mr. Farah, we know that we have had this combination of inexpensive Russian aircraft providing low cost transportation, and So-

viet arms available relatively cheaply from Eastern Europe. Now we see both the expansion of the arms and aerospace industries in China.

Does this perhaps indicate a second wave of light arms proliferation, and how should the international community engage with the Chinese to limit light arms to illegitimate actors?

Mr. FARAH. Well, I think if you look at both Russia and China, there is a huge push primarily with state clients. They want more than anything to be back with state clients as opposed to non-state actors. Victor Bout specialized in the non-state.

China, my sense is from watching them is that they are looking for respectability and they are willing to sell off of their aid projects, particularly in Africa, will come with weapons provisions built in and contract and maintenance systems built in for say 5 years. If they build your new port, they will also sell you a certain amount of weapons, and with that will come a maintenance contract for 5 years, at which point you are hooked on their weapons, and you are not going to move away from that very quickly.

So I think that—I mean, one of the things that I think is absolutely stunning in the international arena at this point is that there is still no safeguards, no verification at all on end user certificates which would be the simplest thing in the world to actually do to implement with very little cost and it would not be a huge bureaucratic step.

I think that there is very little that the United States is doing in areas like Azerbaijan where I watched the weapons stuff coming in from the Chinese to actually counter that. They were viewing that as a relatively benign development, and states are entitled to arm themselves, so therefore they are.

But I think that if you look at the consequences, as I lived through it in West Africa, of cheap weapons flooding regions, the consequences are always devastating, and to me the most worrisome thing I see in Latin America, Chavez has license to AK–47 factories from the Russians, and one of them is about to go on line. It is legal to do. It is an announced program. It will bring death and destruction across the Venezuelan and Colombia, Ecuador, Surinam borders in ways that will horrify us in 5 years because then you will be able to distribute 100,000 or 150,000 AKs free of cost virtually across the region that really does not need more weapons.

Mr. SHERMAN. Does that factory give Chavez anything more than a price break? I mean, could he not use petro dollars to buy 100,000 AK–47s?

Mr. FARAH. He could. He chose to do that because he wanted them. He views himself as needing to arm a peoples' militia and this gives him control over production. He does not have to worry about delivery, and he controls the production and distributes them in-country as opposed to having to wait for them to arrive from elsewhere, but I have not actually discussed with him why he made that decision. But I think cheaply and the ability to control the destination are primary.

Mr. SHERMAN. So you see the Chinese are willing to sell to states. There are many states that would be happy to buy it for 100 bucks from China if they could sell it for 110 to just about anybody.

Mr. FARAH. Yes.

Mr. SHERMAN. What do the Chinese do, and you may have answered this to some extent already, to assure themselves that when they deliver weapons to a state, that that state is the end user?

Mr. FARAH. Well, I think it comes down to a matter of political will. I documented in my written testimony there was one case of many that we monitored, this does not go to China directly, but it is the same type of thing where Victor Bout flew 37 plane loads of weapons, hundreds of thousands of rounds of ammunition, millions of different sorts of things to the country of Togo.

No one had to think to themselves why would Togo, a country with an army of 150 people, it is a sliver on the West African coast, and is a former French colony, always provided weapons by the French, why would they be buying this kind of weapons? Gee, should we call?

Well, if they had, the end user certificate signed by the Togolese guy, who is supposedly the minister, had been dead for 2 years. There was no Internet search done, and these weapons were destined to Unita rebels. They simply——

Mr. SHERMAN. They were destined for who?

Mr. FARAH. The Unita rebels in Angola, and so if China wants to make sure that their end user is the person who is on the paper, they simply have to verify on the ground. It is not easy—if the seller is watching, it is not easy to divert large loads of weapons, and you also have to have some——

Mr. SHERMAN. So the case you identify it is not like China was duped by a state. China was duped by some really dumb forgers who forged the name of somebody who had been dead for 2 years, and so it was not that they were willing to sell weapons to a state, they were willing to sell weapons to anybody who pretended to be a state even if they were rather clumsy in doing it?

Mr. FARAH. In a nutshell. This actually happened to be Bulgaria, not Russia, in the particular case of Victor Bout where these weapons went, but the——

Mr. SHERMAN. Oh, so——

Mr. FARAH. But this is a——

Mr. SHERMAN [continuing]. This is a case where Bulgaria was the seller?

Mr. FARAH. They simply did not even bother to check who signed the end user certificate to see if the person was in office.

The point being that all China has to do is make relative due diligence and these things do not happen. So it becomes a question of political will and are they willing to dump weapons, are they seriously looking to sell weapons to people who will use them responsibly.

Mr. SHERMAN. Well, thank God weapons dissemination and proliferation is not an Olympic event. I know China is anxious to win as many Olympic events as possible, and let us hope that the future competition is for weapons control rather than weapons proliferation.

Our President has decided that he wants to bestow a great honor on the Chinese, and I am actually going to be seeing Secretary Hill later today, and hopefully among the many things he insists upon when he is over there, other than good seats, is that China follow

good procedures on end users, and as you point out, they are not hard.

With that, I yield to our ranking member.

Mr. ROYCE. Thank you, Mr. Chairman.

I was going to ask Mr. Emerson, do you think we are doing enough to track and destroy these virtual safe havens used by radical jihadists on the Internet?

Mr. EMERSON. I think there is major areas for improvement in terms of tracking them, and in terms of—that they use for purposes of fund raising, and for dissemination of propaganda and recruitment.

Mr. ROYCE. Terrorists have become pretty effective in exploiting this particular technology.

Mr. EMERSON. It was just the other day a Federal employee was arrested for operating a jihad site down south, and I think that there really needs to be a greater cyber security oversight over those jihadist groups based in the U.S. at least that use the Internet to recruit or raise money, and there are many, unfortunately, and they crop up. You know, it is not easy to do because once you shut down one another one could crop up, but it really requires a 24-hour a day effort to do this, and it cannot be done piecemeal. It cannot be done partly by the State Department and partly done by DHS. It has got to be done by a uniformly integrated and coordinated approach that looks at all of the Web sites operating with U.S. donations.

Mr. ROYCE. You have looked at the Algerian terrorist organizations, GSPC, GIA. What is your assessment right now of our efforts to take on these groups, especially with the Trans Sahara?

Counterterrorism partnership, I had an opportunity to go over to Chad, Darfur and also Algeria and just take a look at the operations, but I would like your assessment, maybe I will ask Doug the same question.

Mr. EMERSON. There has been a greater effort to contain GIA, although not necessarily the Islamic Salvation Front, which is the "political" arm of the GIA, even though they maintain publicly that they are not coordinated.

GSPC, there has been a growth of that group, particularly because they can move transnationally in between borders and in between states, and again——

Mr. ROYCE. They did not manage to capture Al-Quara.

Mr. EMERSON. Right. Absolutely. I mean, look, there have been definite successes, but you know in the war against terrorism there is no end game. You cannot rest your laurels. You have got to keep fighting. There is no such thing as the end of terrorism. It is never going to happen. We are going to be fighting this war for the next 100 years, and what we cannot afford to do is let down our guard or let a victory sort of cusp our feelings that, ah, it is a major event, because leaders are replaced instantly.

For example, Imad Mughniyah, who is the major special operations leader and who coordinated the 1983 bombing attacks against the United States who was assassinated earlier this year in Damascus, has allegedly already been replaced.

Mr. ROYCE. Yes. Yes. Well, let me go then to Mr. Farah and ask him. I mean, the concept here is to bolster the indigenous security

forces and counterterrorism. You have got the Treasury, the FBI, the Homeland Security working together on this mission. I will ask you how you rate this approach, and is this a better approach at looking regionally given the fact that these organizations operate throughout North Africa?

Mr. FARAH. I think EUROCOM when it started, especially in the Alpira case, did a remarkably good job of bringing assistance defense ministers together for the first time. They had not met, never spoken to each other from the region to sit down and plot out and get him, which I think Steve is right. It is not a panacea, but it did take away one of the most charismatic persons there. It also cut off the kidnapping which was funding their operations.

I think the real danger with this, and I think AFRICOM will be able once it is up and running will also be able to bring some leverage in this or a little better coordination in coordinating everything from quite so far away with so many other countries to worry about, I think the real danger there is what happened in Chad right after some of the first training was, and that was that the presidential guard kept all their weapons and immediately began rounding up political enemies.

That is probably not the kind of counterterrorism effort that will win us many friends in Chad. There is very little follow up or ability to monitor what happens to the aid because our Embassies are down to bare minimum of people. I do think it is incompetence. I think it is a lack of resources there.

No one could go out and say, okay, where are the 30 trucks we left behind? Well, gee, the president's brother is driving around shooting people. Interesting. Maybe we should not do that, or maybe we should take them away. It takes months and months for the anecdotal evidence to accumulate for someone to do something. So I think that to me is the real danger, regimes that are across the region——

Mr. ROYCE. Right.

Mr. FARAH [continuing]. Without any conditionality placed on the aid.

Mr. ROYCE. How do you get that conditionality, right. And we have tried in so many ways.

Mr. FARAH. In so many ways.

Mr. ROYCE. Conditionality on other programs.

Mr. FARAH. When you have oil money and a lock box and you can still get at it.

Mr. ROYCE. Yes. Tom Sheehan on my staff reminded me there is a GAO report that is released today on this very issue so we look forward to reading that.

I had one other question that I was going to ask you, and that is some of the extensive work that has been undertaken on blood diamonds. Of course, we have passed legislation here on that front. Given their connection in terrorism, I was going to ask, is it still a problem? Do you still see this out there after the steps that we have taken and the pressure that has been applied? And how else has terrorism financing evolved since the original use of blood diamonds in order to——

Mr. FARAH. I do not think there is any—I have not seen any substantive evidence that diamonds are still being used. My basic an-

swer would be if it is not probative, then do not fix it, and I do not think we actually broke them on it, so I think the thing that worries me is if you look at where diamonds are not transiting, the major growth centers are UAE, you can buy it particularly, and Lebanon. Neither one of those to me strikes me as a place where I would be fully confident that diamonds are in good hands and not being washed away.

Specific evidence, I do not have. I would bet my life that the Lebanese connection for Hezbollah that now goes straight through to Lebanon is extremely active.

There was a second part of your question?

Mr. ROYCE. Well, how has it evolved, and I will ask my concluding question. How has terrorist financing, in your view, been evolving over the last——

Mr. FARAH. I think what you see clearly with the Taliban and with the use of petty com, I think you are getting more and more into criminal activities, and I think that is—the trend is going to become stronger and stronger.

Mr. ROYCE. The use of credit cards by——

Mr. FARAH. The use of credit cards, criminality supplemented by infusions of—I mean, Hezbollah has run drugs for many years and are very good at it. It is not a new thing for them. They seem, in my opinion, to be the only group that has remained relatively uncorrupted by it. Other groups have dabbled in it and become corrupted, and then off they go, and I would guess the Taliban will go the same way.

Mr. ROYCE. Actually goes to terrorists that have——

Mr. FARAH. Exactly. No, they monitor their funds and put it in—FARC is an example of a totally corrupted organization, and I also see, the other thing you see a lot of still out of Saudi Arabia and elsewhere are micro sponsors. Someone paying one person's ticket and expenses to go to Iran or Afghanistan to wage——

Mr. ROYCE. Interesting.

Mr. FARAH [continuing]. Without seeing—without having to put it in the donation box, without doing anything. You come up, you get your $10,000, go with God and then off you go.

Mr. ROYCE. Any way for the government in Riyadh—any way for the Saudi Government to actually monitor that or help preventing that?

Mr. FARAH. I would be reluctant to say what the Saudis could and could not do in the state they run. They probably could keep a pretty good eye on it if they chose to. But it is purely cash transactions in small amounts going to individuals who then show up on the other side of the border, and I think that this is a much harder trend to get at then the cherry boxes and things that we have been—people like yourself have taken aim at, and I think that we are seeing the atomization of financing in that sense and the aggregations through drug trafficking on the other side.

Mr. ROYCE. Thank you, Mr. Farah.

Mr. Emerson, any thoughts on that?

Mr. EMERSON. Mr. Royce, I think that you are 100 percent right and so is Doug in pointing out that the "traditional" nonprofit NGO route was sort of like cherry picking, and that to a large extent has been shut down in the West, not necessarily in the Middle East.

The Muslim World League, the World Assembly of Muslim Youth, they are still very active, and I can imagine with the new capital outflow of nearly $1 trillion over the next 5 years because of oil revenues that these groups will be enriched, and a good percentage or a large percentage will be going to fund radical Islamic groups.

But I think the major trend we see in the West and in the Middle East and in Africa as well is the use of commodities and the use of money laundering, the use of stored value of credit cards, the use of cigarette smuggling, anything that can generate cash. We even see cars that are smuggled into the Middle East that are used both either for carrying out car bombings or for purposes of generating cash because they can be sold in the market for nearly three to four hundred percent.

So we see a whole new generation of money generation that is much more sophisticated than the traditional role that these radical terrorist groups have played in the past in acquiring funds.

Mr. ROYCE. Thank you, Steve Emerson. Thank you, Doug Farah.

Mr. Chairman, I will yield back the balance of my time.

Mr. SHERMAN. I want to thank our panelists for coming and look forward to getting input, look forward to giving the State Department some practical direction. Thank you very much.

[Whereupon, at 1:15 p.m., the subcommittee was adjourned.]

APPENDIX

Material Submitted for the Hearing Record

United States Senate

WASHINGTON, DC 20510

July 30, 2008

The Honorable Condoleezza Rice
Secretary
U.S. Department of State
2201 C Street NW
Washington, DC 20520

Dear Secretary Rice,

Earlier this year, it came to our attention that at least two State Department grantees were funding Muslim outreach programs operated by the Islamic Society of North America (ISNA), an unindicted coconspirator in a recent terror financing trial, and a leader of the Association of Muslim Social Scientists (AMSS). The Muslim Brotherhood, whose radical and violent agenda has been extensively documented, is an Islamist organization opposed to Western liberal democracy and considers both entities part of its U.S. network.

On Thursday, July 10, 2008, the Senate Homeland Security and Governmental Affairs Committee held a hearing entitled, "The Roots of Violent Islamist Extremism and Efforts to Counter It." The testimonies of Zeyno Baran of the Hudson Institute, Maajid Nawaz of the Quilliam Foundation, and Steve Emerson of the Investigative Project on Terrorism document the history and extremist ideology of the Muslim Brotherhood, one of the first and most prominent Islamist organizations.

According to these witnesses, the central tenets of Islamism is that Islam is the only basis for a legal and political system and that Islamic law, or *Sharia*, must shape all aspects of human society. According to Zeyno Baran, the goal of the Muslim Brotherhood and other Islamist groups is the eventual Islamization of the world and the "[rejection] of Western norms of pluralism, individual rights, and the secular rule of law." This is diametrically opposed to liberal democracy. In other words, Islamists work to promote "separation, sedition, and hatred, and is at the core of Islamist terrorism."[1]

The extremist ideology of the Muslim Brotherhood is best illustrated by the Muslim Brotherhood's own strategic plan for its affiliates in the U.S. The plan was outlined in the attached Muslim Brotherhood memorandum that was submitted as evidence by federal prosecutors in a recent terror financing trial.[2] The Muslim Brotherhood's description of its agenda in the United States is alarming:

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[1] Testimony from Zeyno Baran presented to the Senate Committee on Homeland Security and Governmental Affairs, 10 July 2008.

[2] "An Explanatory Memorandum on the General Strategic Goal for the Group in North America," Government Exhibit 003-0085, *U.S. v. Holy Land Foundation, et al.*

> **Understanding the role of the Muslim Brother in North America:** The process of settlement is a "Civilization-Jihadist Process". . .the [Muslim Brotherhood affiliates] must understand that their work in America is a kind of grand Jihad in eliminating and destroying the Western Civilization from within and "sabotaging" its miserable house by their hands and the hands of unbelievers so that it is eliminated and God's religion is made victorious over all other religions.

Included in the memorandum is a list of organizations that the Muslim Brotherhood considers part of its U.S. network. ISNA is at the top of the list along with two other ISNA-linked groups. AMSS is 4th on the list.

Despite the Muslim Brotherhood link to these entities, in December 2007, a grant of nearly $500,000 was awarded by the U.S. State Department to the University of Delaware which employs a leader of the AMSS, Muqtedar Khan, to manage the grant.[3] The grant is meant to foster dialogue between the U.S. and clerics in Muslim countries. In 2006 and 2007, the National Peace Foundation received State Department grants of $466,000 and $499,999 to conduct similar programs in partnership with ISNA.[4]

Staff from the Senate Subcommittee on Federal Financial Management, Governmental Information, Federal Services, and International Security met with State Department officials from the Bureau of Educational and Cultural Affairs which manages these grants. When explaining the vetting procedures used for these grantees, your staff admitted that they do not vet the grantees used to implement these Muslim outreach programs. Instead, they rely on the grantees to vet themselves. Accordingly, the State Department is funding organizations without having a proper understanding of their membership, affiliation or whether they may be pursuing an agenda that is at odds with U.S. policy—to wage a war of ideas against the extremist ideology that inspires terrorism around the world, including here in the United States.

Even more troubling, the decision to award the grant managed by Mr. Khan of AMSS was based on a recommendation letter from the International Institute of Islamic Thought (IIIT), another unindicted coconspirator in the terror financing trial referenced above. Like ISNA and AMSS, the Muslim Brotherhood considers IIIT part of its U.S. network through which it wages a "civilization-jihadist process" to destroy Western civilization.

IIIT has other links to extremist groups. For example, its 2003 IRS tax forms show that it financially supported the al-Haramain Islamic Foundation of Ashland,

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[3] Grant details are posted on USAspending.gov:
http://www.usaspending.gov/faads/faads.php?reptype=r&database=faads&record_id=11414195&detail=3&datype=T&sortby=i

[4] Information provided by the Bureau of Educational and Cultural Affairs; FY2007 grant details are posted on USAspending.gov:
http://www.usaspending.gov/faads/faads.php?reptype=r&database=faads&record_id=11414134&detail=3&datype=T&sortby=i

Oregon.[5] In 2004, the U.S. Treasury Department reported that Al Haramain engaged in "tax fraud, money laundering, supporting the mujahideen affiliated with al Qaeda," and that there were "direct links between the U.S. branch and Usama bin Laden."[6]

Mr. Khan's agenda, which was submitted to the State Department, lists events and seminars that Muslim Brotherhood affiliates would give. This includes IIIT and the Muslim American Society (MAS). In a recent terror-financing trial, a FBI agent testified that a phonebook found at the home of a Hamas official listed contact information for Muslim Brotherhood leadership in the United States. Among the names listed as "Members of the Board of Directors" were the founding incorporators of MAS.[7]

When Senator Coburn first learned that the State Department was funding Islamist entities, he requested a meeting with Goli Ameri who, at the time, was the nominee to become the Assistant Secretary of State for Educational and Cultural Affairs and would manage the bureau that issues these grants. During the discussion of her nomination, Ms. Ameri promised Senator Coburn that the State Department would stop funding these entities once she was confirmed.

Unfortunately, sometime after Ms. Ameri was confirmed, ISNA announced new sub-grant funding from the Bureau of Educational and Cultural Affairs to carry out a new Muslim outreach program. An ISNA press release stated that these federal funds paid for a U.S. delegation to meet with Dr. Ali Goma, the Mufti of Egypt. In 2003, Ali Goma was quoted in Egypt's "Al-haqiqa" newspaper defending terrorist acts in Israel.[8]

U.S. taxpayers should not be supporting Islamist groups—especially with funding meant to counter the extremist ideology that Islamists promote. We understand that there has been concern about the legal protections available to the Department should litigation be brought to bear by Islamist groups that have their grants rescinded. We are not persuaded that such liability exists, however, as Senator Coburn assured Ms. Ameri, he is working with the Department of Justice to obtain further confirmation of what your Department General Counsel should be able to tell you: it is the legal right and obligation of the Department to bar, withhold or rescind funding for any entities that do not advance the mission of the Department, which is the security and stability of the United States, including its culture, its people, and its form of government.

We are sure that you would agree that Americans should not have to fund their enemies in the form of misguided "outreach" efforts. To that end, please provide a response to the following questions by August 9, 2008:

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[5] http://www.guidestar.org/pqShowGsReport.do?npoId=921171

[6] U.S. Department of State, *U.S. Names Two Branches of Saudi Foundation as Terror Supporters*, Sept. 9, 2004, http://usinfo.state.gov/ei/Archive/2004/Sep/09-780745.html.

[7] "Muslim Brotherhood Phonebook Confirms that MAS is Brotherhood's Baby," *The Investigative Project on Terrorism*, 14 August 2007.

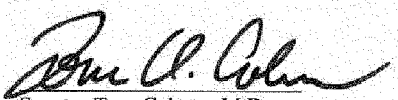
[8] Rabinowitz, Beila and William Mayer. "State Department Funding ISNA's Propagation of Islam via citizen exchange program," *Pipe Line News*, 25 April 2008.

(1) By what date will all funding to Muslim Brotherhood-affiliated organizations (including organizations identified in the attached Muslim Brotherhood memorandum) through grants, cooperative agreements, fellowships, contracts or any other funding vehicle, be curtailed?

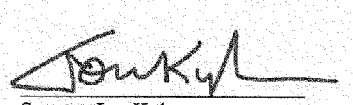
(2) By what date will you establish Department-wide, standardized procedures to prevent funding from being provided to Muslim Brotherhood-affiliated organizations (including organizations identified in the attached Muslim Brotherhood memorandum)?

We know you share our goal of ensuring the security of our people and the proper stewardship of their hard-earned taxes. Thank you for your service to our nation and we look forward to hearing from you. For your convenience, we have included the congressional testimonies of Zeyno Baran, Maajid Nawaz, and Steve Emerson that provide more details about the Muslim Brotherhood and its network in the U.S. If you would like to discuss this further, please feel free to contact us or our staff.

Sincerely,



Senator Tom Coburn, M.D.



Senator Jon Kyl

CC: Sen. Joseph Biden, Senate Foreign Relations Committee, Chairman
Sen. Richard Lugar, Senate Foreign Relations Committee, Ranking Member
Sen. Robert Byrd, Senate Appropriations Committee, Chairman
Sen. Thad Cochran, Senate Appropriations Committee, Ranking Member
Rep. Howard Berman, House Foreign Affairs Committee, Chairman
Rep. Ileana Ros-Lehtinen, House Foreign Affairs Committee, Ranking Member
Rep. David Obey, House Appropriations Committee, Chairman
Rep. Jerry Lewis, House Appropriations Committee, Ranking Member