

Alamoudi and Those Bags of Libyan Cash

By J. MICHAEL WALLER

Before his arrest, Abdurahman Alamoudi seemed to move seamlessly between the disparate worlds of international terrorism and Washington politics.

Federal agents may have ripped the lid off an international terrorist-support network in Washington that operated to finance terrorists inside the United States and abroad, while penetrating the U.S. political system to weaken federal antiterrorism laws. The Sept. 29 arrest of an alleged senior terrorist operative living in Falls Church, Va., has burst open a case that *INSIGHT* has been following since 2001: an alleged international ring of terrorists, their financiers, propaganda networks and support structures that may have infiltrated the federal government and embedded themselves into both political parties in Washington.

The recent scandals at the U.S. Naval Base in Guantanamo Bay, Cuba, in which a Muslim chaplain and several Arabic interpreters are suspected of committing espionage for al-Qaeda or a foreign state sponsor of terrorism, have raised public awareness of the terrorist infiltration of U.S. government institutions and may be tied to the Virginia arrest.

Investigators are probing the Muslim military-chaplains program at the Pentagon that vetted alleged terrorist spy Capt. James "Yousef" Yee to see if parts of the program were created to infiltrate the U.S. Armed Forces for terrorist purposes. The founder of that program, Abdurahman Alamoudi, 51, was arrested at Dulles International Airport near Washington on Sept. 29 as he returned via London from an alleged covert trip to Syria and Libya, both notorious as state sponsors of terrorism and bases for supposedly independent terrorist gangs. The arrest apparently was precipitated by an

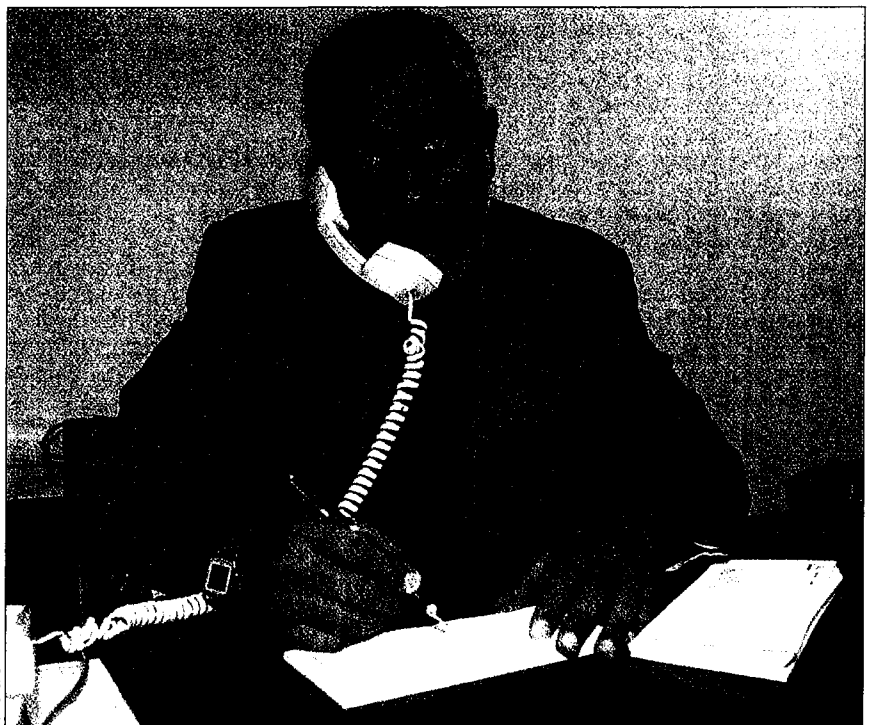
investigation unrelated to the chaplain issue and focused on terrorist finances. Alamoudi faces a list of federal charges related to laundering Libyan money, financing political operations in the United States with illegal foreign contributions, passport fraud and the funding of terrorist organizations and individuals from Syria to Oregon.

The chaplain and Alamoudi cases may have repercussions on a cross-section of politicians ranging from former first lady and current U.S. Senator Hillary Rodham Clinton (D-N.Y.) to senior figures in the Republican Party. Critics have alleged that the Clinton and George W.

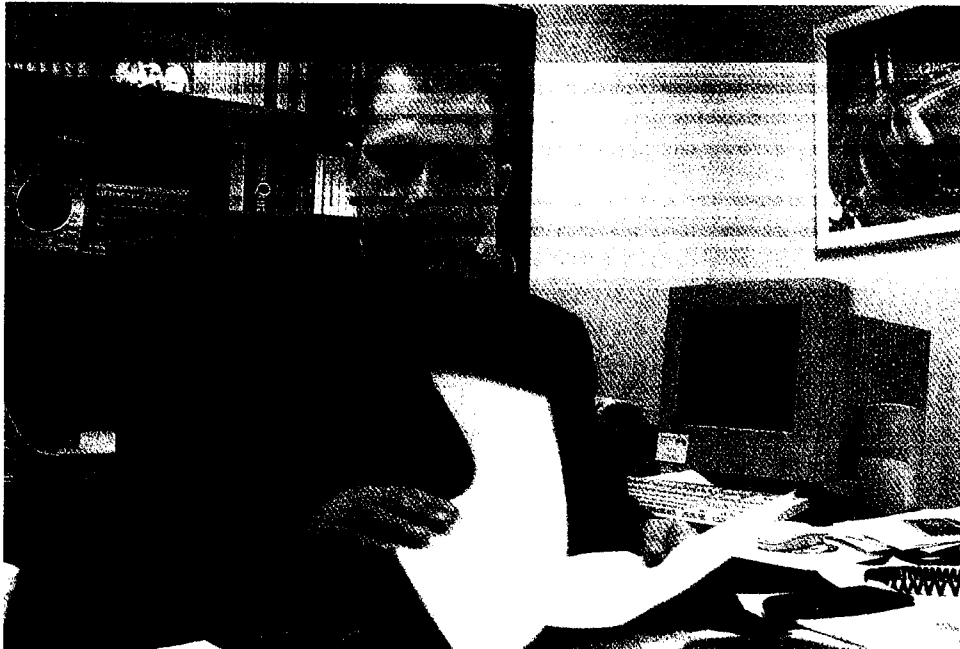
Bush administrations have pandered to some of the most militant Muslim political groups in a bid to win votes from a still-unclaimed voting bloc, throwing aside security and counterintelligence concerns and rejecting warnings from the Secret Service and CIA.

Journalist Mary Jacoby, who reports on domestic Islamist networks for the *St. Petersburg (Fla.) Times*, tells *INSIGHT* that Alamoudi spearheaded efforts to install radical Muslim chaplains inside the U.S. Armed Forces and the prison system. In 1993, through his American Muslim Council (AMC), he spun off the American Muslim Armed Forces and Veterans Affairs Council, one of three Islamic organizations to certify chaplains for the military. That same year, according to a pro-Alamoudi briefing published by *aljazeera.info*, "AMC supported the launching of ... the National Islamic Prison Foundation." The purpose, counterterrorism experts say, was to take over Islamic chaplain programs and install more militant Muslims to indoctrinate inmates inside the U.S. prison system and network them after their release back into society. Sources close to the federal investigations tell *INSIGHT* that more arrests are expected.

The probe could prove damaging to key allies of President George W. Bush. Federal investigators tell *INSIGHT* that one of the names that keeps coming up in the activities they are looking at is that of Grover Norquist, the influential GOP "big-tent" organizer and chairman of Americans for Tax Reform, a respected conservative umbrella group. Norquist



In custody: Alamoudi faces a laundry list of terrorism-related charges.



ROGER L. WOLLEBERG/UP

Quid pro quos: Saffuri, left, has admitted to *INSIGHT* that Alamoudi's \$10,000 checks payable to the Islamic Institute funded the group. Alamoudi and other Muslim leaders visited Bush in Texas and offered political support while seeking repeal of certain antiterrorist laws.

and Hezbollah terrorist groups and other individuals *INSIGHT* is trying to identify.

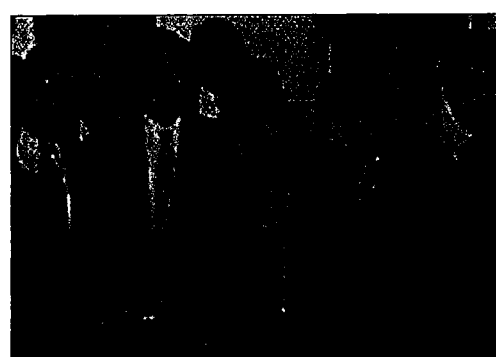
Canceled checks obtained by *INSIGHT* show Alamoudi provided seed money to start a GOP-oriented Muslim group called the Islamic Institute, which Norquist originally chaired and now is led by former Alamoudi aide and former AMC staffer Khaled Saffuri. A White House memo obtained by *INSIGHT* prepared for coordinating Muslim and Arab-American "public-liaison" events with the White House shows that the Islamic Institute was instrumental in establishing the connection. The memo, from early 2001, provides lists of invitees and the name, date of birth and Social Security number of each. Norquist, as the first chairman of the Islamic Institute, tops the list.

Alamoudi and others, including Norquist, tried to keep critics at bay by branding them as "racists" and "bigots." Rove did not respond to requests for an interview about this.

Norquist and Saffuri, in interviews with *INSIGHT* in the past, have acknowledged Alamoudi's early ties and some incendiary comments at a rally in front of the White House, but denied recent links. Concerns about Alamoudi's alleged nefarious activities were heightened when the British provided the first public evidence that Alamoudi was receiving money from foreign governments to finance his political operations in Washington — and apparently some terrorist operations as well.

It began on Aug. 16, when British authorities at London's Heathrow Airport discovered Alamoudi with \$340,000 in sequentially numbered \$100 bills as he attempted to fly to Syria. British officials say Alamoudi admitted he had received the money from the Libyan government [see sidebar, p. 33].

As *INSIGHT* goes to press Alamoudi is in an Alexandria, Va., jail on federal



cans [see sidebar, p. 34]. Through a mix of civil-rights complaints, Old Left-style political coalitions and sheer persistence, Alamoudi helped in the image of U.S.-based Islamists toward the political mainstream and induced politicians to embrace his organizations. He sought to secure the support first of the Clinton administration in seeking to repeal certain antiterrorist laws, but when Bill Clinton failed to deliver, Alamoudi defected to

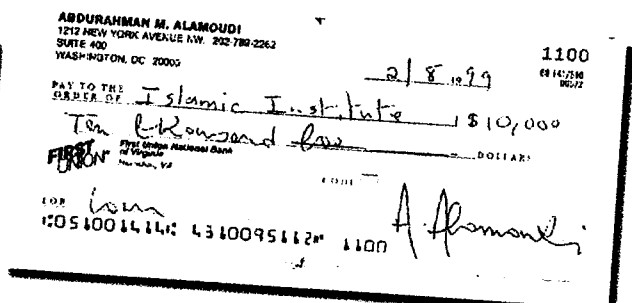
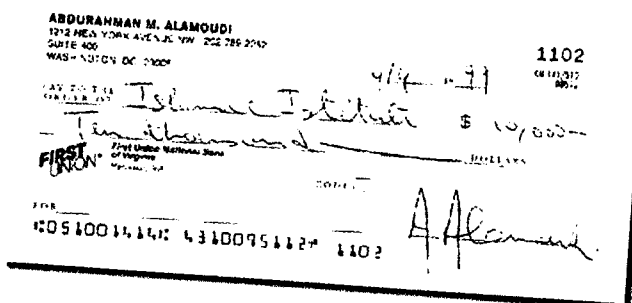
Bush, then governor of Texas. Alamoudi and other Muslim leaders met with Bush in Austin in July 2002, offering to support his bid for the White House in exchange for Bush's commitment to repeal certain antiterrorist laws.

That meeting, sources say, began a somewhat strained relationship between the self-appointed Muslim leaders and the Bush team. Some senior Bush advisers voiced caution to Rove, who is said to have disregarded such concerns, seeing instead an opportunity to bring another ethnic and religious group into the GOP big tent. A photo of the Austin event shows Bush with Alamoudi standing over his left shoulder, flanked by the former head of the Pakistani Communist Party, several open supporters of the Hamas

was Alamoudi's most influential Washington facilitator, authorities believe, noting that Norquist reminds friend and foe alike that he is close to the president's powerful political strategist, Karl Rove.

Norquist, who previously has denied any suggestion that his work facilitated any wrongdoing, not only introduced Alamoudi to Washington GOP power circles but also Sammy Al Arian, whom prosecutors arrested earlier this year for alleged terrorist activities. Federal law-enforcement sources say they are focusing on some of Norquist's associates and financial ties to terrorist groups.

Alamoudi ran, directed, founded or funded at least 15 Muslim political-action and charitable groups that have taken over the public voice of Islamic Ameri-



charges relating to aiding and abetting terrorism, illegally funding U.S. pressure groups with laundered money from Libya and Saudi Arabia, and financing terrorists in Syria and inside the United States. Kamal Nawash, calling himself an Alamoudi lawyer, claimed the charges are politically motivated. He did not address the individual allegations.

Sources say federal prosecutors are building a case that shows how Alamoudi allegedly moved between the clandestine world of international terrorism and the highly visible arena of Washington politics. Sources tell *INSIGHT* that Assistant U.S. Attorney Steve Ward has developed a chart detailing Alamoudi's connections across the entire spectrum — from political pressure groups in Washington to hard-core terrorists in Oregon, to Libya, Saudi Arabia and Syria, and even to a terrorist summit held in Beirut with al-Qaeda.

"He [Alamoudi] funded terrorists, he laundered money for terrorists, he openly advocated for terrorists," a federal counterterrorism official tells this magazine. "He built political front organizations for terrorists. He gave generous amounts of money to politicians of both parties. He worked in the Clinton White House and the Bush White House. He acted as an agent of influence for terrorists in the United States to undermine the nation's security and counterterrorism laws. Alamoudi is a big catch, and he has led us on a trail that will certainly lead to more arrests." Federal law-enforcement sources say they might not have been able to bring the case to court without the USA PATRIOT Act of 2001 and other legal tools.

The evidence suggests that Alamoudi is the hub of a hard-core, terrorist-support infrastructure. Special Agent Brett Gentrup of the Immigration and Customs Enforcement (ICE) unit of the Department of Homeland Security cites a transcript of a telephone call in which Alamoudi discussed the tactics of a 1994 terrorist operation against a Jewish center in Argentina that took 86 lives. "Even though we are very sorry for the death of the innocent," Alamoudi said in support of the attack, "you have to choose the target so as not to put the Muslim in an uncomfortable position."

The FBI submitted evidence showing that Alamoudi's American Muslim Foundation (AMF), a charitable offshoot of the AMC, funded two suspected terrorists in Oregon who were arrested a year ago. Ahmed Bilal and Patrice Lumumba Ford received payments from the AMF's Portland, Ore., branch as they conspired to aid the Taliban regime in Afghanistan that at the time provided safe haven to Osama bin Laden and his al-Qaeda or-

British Special Branch Report: Alamoudi Received Cash From Libyan 'Jihad Fund'

British security services discovered Abdurahman Alamoudi's terrorist finance connection when the operative visited London last August. On the morning of Wednesday, Aug. 13, Alamoudi received a call at his Metropole Hotel room from a man speaking Libyan-accented Arabic, saying he had "something" to deliver.

According to an affidavit by Special Agent Brett Gentrup of the U.S. Immigration and Customs Enforcement unit of the Department of Homeland Security, the Libyan went to Alamoudi's room, handed him a briefcase containing \$340,000 in cash, then left without saying a word. Alamoudi emptied the 34 bundles of consecutively numbered \$100 bills into his luggage and abandoned the briefcase.

Three days later, officials at London's Heathrow Airport detained Alamoudi as he attempted to board a flight to Syria. Customs agents seized the money, while New Scotland Yard's Special Branch and the National Terrorist Financial Investigations Unit held Alamoudi for questioning. Officials discovered Alamoudi in possession of two U.S. passports as well as a Republic of Yemen passport.

According to a summary of the Special Branch report, Alamoudi said it was a "constant struggle" to finance his American Muslim Foundation. "He further stated that in order to alleviate this problem, he approached the Libyan ambassador to the United Nations in 1997." A subsequent meeting with the envoy, Abuzed Omar Dorda, included discussion of Alamoudi's political clout in Washington and Libya's desire to gain the release of assets frozen in the United States since the 1986 terrorist bombing of a Pan Am jumbo jet over Lockerbie, Scotland.

"According to the report of the Special Branch investigation, Alamoudi stated to interviewing officers that the Libyan ambassador suggested he [Alamoudi] could receive an unspecified share of any assets he may succeed in releasing," according to the federal criminal complaint.

"According to the [New Scotland Yard] report, Alamoudi then had a series of meetings with White House officials" about the frozen Libyan assets. "Alamoudi said that at a further meeting with the Libyan ambassador it was suggested to Alamoudi that, in order to mitigate the funding problem, he contact the Tripoli-based Libyan Islamic Call Society.

"During the interview, Special Branch asked Alamoudi to justify why, as an American citizen, he was willing to negotiate

with a country linked to terrorist attacks and subject to American government embargo. Alamoudi explained that as the Libyan regime had by then renounced terrorism, he felt obliged to 'bridge the gulf' between his adopted country and an Islamic state.

"Alamoudi remarked that he has traveled to Tripoli on at least 10 occasions, usually to negotiate with the president of the 'Islamic Call Center' [sic]. Alamoudi stated that on his last visit to Libya, he finally negotiated funding for his organization through the Islamic Call Society."

The World Islamic Call Society (WICS) is a front of the Libyan government that "was established by Libyan leader Colonel Mu'ammar Al-Qadhafi," according to the State Department's official *International Religious Freedom Report of 2002*. "It is the outlet for state-approved religion, as well as a tool for exporting the revolution abroad." The Libyan dictator personally funded WICS via his Jihad Fund. An official 1991 State Department report, *Patterns of Global Terrorism*, states that Qadhafi used the philanthropic reputation of WICS as a front for terrorist support.

Evidence seized in March 2002 raids under the Treasury Department's "Operation Green Quest" indicates that Alamoudi became a member of the World Islamic Call Council in 2000," according to Special Agent Gentrup. British agents discovered that one of Alamoudi's U.S. passports contained two Libyan visas issued in Canada, and that his Yemen passport, issued on Aug. 15, 2001, "identified several entry and exit stamps related to Alamoudi's visits to Libya," Gentrup testified. "The stamps indicate Alamoudi has been traveling to and from Libya regularly since May 2002 through July 2003 with the length of stay averaging approximately five days." Alamoudi also apparently kept a "clean" U.S. passport in an attempt to conceal his trips to Libya from U.S. authorities. His telephone records show he called the Libyan financial attaché in New York City and that he had the cell-phone number of Libya's then-ambassador Abuzed Omar Dorda.

The State Department Consular Office says U.S. passports have not been valid for visits to Libya since 1981 without special State Department validation, and that Alamoudi neither had sought nor been granted such validation, but that one passport contained a Libyan visa issued by Libya from Canada.

— JMW

ganization. Bilal recently pleaded guilty to conspiracy to aid the Taliban, and Ford faces charges of materially aiding al-Qaeda and conspiracy to wage war against the United States.

The Alamoudi arrest is prompting federal law-enforcement services to take a closer look at foreign-funded political groups connected to Alamoudi that have been agitating against tough counterterrorism laws. Those organizations consistently have denied all connections to terrorism and have denounced their critics, including writers at this magazine, as being motivated by racism and bigotry.

Those denunciations, federal agents say, have had a chilling effect on counterterrorism investigations, due to concerns that the FBI is bifurcated between agents in the field and headquarters. Aggressive and apparently fruitful detective work has yielded a crop of high-quality terrorist suspects nevertheless. But agents and Washington insiders say this has been met with equally aggressive and fruitful political-warfare campaigns by supporters of the alleged terrorists who denounce "insensitivity" of federal agents to those Islamists and Arab-Americans who fall under suspicion.

FBI agents claim that some senior bureau leaders in Washington have bowed to political pressure to pander to certain allegedly protected groups, especially those that enjoy political access to the White House. This, in turn, has discour-



ROGER L. WOLLBERG/DP

Split personality: Mueller's FBI is torn between pursuing terrorists and being fair to American Muslims.

aged some field agents from doing their job [see "FBI Polarized by 'Wahhabi Lobby,'" July 22-Aug. 4]. Even so, the probes of Alamoudi and others have continued. Nawash, one of Alamoudi's attorneys, insists to *Islam Online* that Alamoudi "has no links whatsoever to violence or terrorism," and that he "supported the U.S. war on terrorism." Yet Nawash himself has been cautious about appearing to be too close to Alamoudi. Just a month before Alamoudi's arrest Nawash, a Republican candidate for the Virginia state Senate, returned two \$5,000 campaign donations from Alamoudi and his

wife, saying it would not be in his best interests to accept the contributions at that time. Asked about this, Nawash campaign manager William Lockhart said Oct. 10 that the candidate is "not representing Alamoudi now."

The United States alleges that Alamoudi lied on his U.S. Customs declaration form about where he had traveled during his last trip abroad. According to an affidavit in support of the federal criminal complaint, the documentary evidence shows that Alamoudi visited Libya from Sept. 19-25, using an extra U.S. passport and a Yemeni passport and "concealing the fact that he had been to Libya from United Kingdom officials." Prosecutors also say Alamoudi failed to report trips to Lebanon from Aug. 29-Sept. 2, Syria from Sept. 2-8, Yemen from Sept. 8-13, Syria from Sept. 15-16 and Egypt from Sept. 16-18.

During his detention with British authorities, Alamoudi said specifically that he intended to launder the Libyan money back into the United States through Saudi banks, according to a summary provided by Special Agent Gentrup: "Alamoudi told officers that he intended eventually to deposit the money in banks located in Saudi Arabia, from where he would feed it back in smaller sums into accounts in the United States." According to reports of the questioning, Alamoudi said he believed it was against the law for anyone to bring more than \$10,000 in cash to the United States at any single time, and used the Saudi cutout. In reality, U.S. law sets no limits on cash entering the country but does require the bearer to report amounts of \$10,000 or more.

"Alamoudi was adamant that this was the only such transaction in which he was involved," according to the criminal complaint. However, under further questioning by the Special Branch of New Scotland Yard, Alamoudi "conceded he had been involved in other similar cash transactions involving amounts in the range of \$10,000 to \$20,000."

INSIGHT first reported that Alamoudi helped start the Islamic Institute with two \$10,000 checks on a U.S. bank and that the institute had received additional checks in the amounts of \$5,000 and \$10,000 on banks in Saudi Arabia. Saffuri initially denied that the Islamic Institute had received money via Saudi Arabia until *INSIGHT* published copies of checks to his organization from Saudi banks [see "Correspondence," Oct. 15-28, 2002]. He then acknowledged that those early U.S.-drawn checks came from Alamoudi, but said one was a "loan."

The Background of Abdurahman Alamoudi

Name: Abdurahman Muhammad Alamoudi — aka Abdul Rahman Al-Amoudi; Abdulrahman Mohamed Omar Alamoudi.

Born: 1952, in Ethiopian-occupied Eritrea.

Citizenship: Immigrated to the United States in 1979. Naturalized U.S. citizen, 1996. Also holds a passport of the Republic of Yemen.

Membership: Muslim Brotherhood.

U.S. affiliations: Founder and former executive director, American Muslim Council (AMC); founder and president, American Muslim Foundation (AMF). The FBI alleges that he still runs the AMC.

Other affiliations: Board member, American Muslims for Jerusalem; board member, Council on National Interest Foundation; board member, Interfaith Impact for Justice and Peace; head, American Task Force for Bosnia; founding trustee, Fiqh Council of North America Inc.; D.C. regional representative, Islamic Society of North America;

board member, Mercy International; acting president, Muslim Students Association of U.S. and Canada; executive assistant to the president, SAAR Foundation (raided by federal authorities in 2002); secretary, Success Foundation; director, Talibah International Aid Association; board member, Somali Relief Fund.

Alamoudi firsts: Founder and first endorsing agent of the Muslim chaplains program for the U.S. Department of Defense; provided seed money and staff to help influential conservative leader Grover Norquist found the Islamic Institute (also known as the Islamic Free Market Institute).

Federal charges: Illegal transactions with a terrorist regime; passport fraud; conspiracy to fund terrorists directed against U.S. forces in Iraq; material support for terrorists in the United States; more pending.

Sources: Department of Homeland Security, FBI, Center for Security Policy.

J. MICHAEL WALLER IS A SENIOR WRITER FOR *Insight* MAGAZINE.