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**MANHATTAN U.S. ATTORNEY ANNOUNCES SETTLEMENT WITH
NORWEGIAN NOT-FOR-PROFIT, RESOLVING CLAIMS THAT IT
PROVIDED MATERIAL SUPPORT TO IRAN, HAMAS, AND OTHER
PROHIBITED PARTIES UNDER U.S. LAW**

Geoffrey S. Berman, the United States Attorney for the Southern District of New York, and Ann Calvaresi Barr, Inspector General for the U.S. Agency for International Development ("USAID"), announced today the filing and settlement of a civil fraud complaint against NORWEGIAN PEOPLE'S AID ("NPA"), a non-profit, non-governmental organization headquartered in Norway, that receives funding from USAID. The settlement resolves claims that NPA violated the False Claims Act (the "FCA") by providing material support to Iran, Hamas, the Popular Front for the Liberation of Palestine ("PFLP"), and the Democratic Front for the Liberation of Palestine ("DFLP"), contrary to federal funding requirements. At all times relevant to the lawsuit, Iran was included on the U.S. Department of State's list of state sponsors of terrorism (the "State Sponsors of Terrorism List"), and Hamas, PFLP, and DFLP were included on the U.S. Office of Foreign Assets Control's specially designated nationals and blocked persons list (the "SDN List"). The State Sponsors of Terrorism List includes countries that have repeatedly provided support for acts of international terrorism, and the SDN List includes individuals and entities that support terrorism or otherwise engage in conduct antithetical to U.S. interests.

On March 30, U.S. District Court Judge Gregory H. Woods approved a settlement agreement that resolves the Government's claims against NPA. Under the settlement, NPA is required to pay \$2.025 million to the United States (that amount is based on an analysis of NPA's ability to pay a monetary settlement), and it has revised its internal policies to ensure that it complies with applicable U.S. sanctions laws and the terms of its USAID grants. In addition, in connection with the settlement, NPA has admitted to and accepted responsibility for its conduct.

Manhattan U.S. Attorney Geoffrey S. Berman said: "For years, Norwegian People's Aid obtained grant money from USAID by falsely representing that it had not provided, and would

take reasonable steps to ensure that it did not knowingly provide, material support to prohibited parties under U.S. law. With this settlement, NPA is being made to pay a significant financial penalty for its conduct, and importantly, has admitted to its conduct and agreed to put proper precautions in place to ensure that it does not happen again.”

USAID Inspector General Ann Calvaresi Barr said: “USAID depends on the integrity of its contractors and grantees to effectively reduce poverty, promote economic growth and democratic values, and deliver aid in crises worldwide. Making false representations to secure grant funding not only violates U.S. law, it is a serious breach of trust. And, when false claims hide an organization’s material support to designated terrorist organizations and a state sponsor of terrorism, the violation is all the more severe. My office makes these cases a top priority and we will continue to investigate them aggressively.”

As alleged in the Government’s complaint and set forth in the parties’ settlement agreement, both of which have been filed in Manhattan federal court:

Since at least 2012, NPA has received monetary grants from USAID to fund various projects and programs. As a condition of receiving those grants, NPA submitted certifications to USAID each year in which it represented that, “to the best of its current knowledge, it did not provide within the previous ten years, and will take all reasonable steps to ensure that it does not and will not knowingly provide, material support or resources to any individual or entity that commits, attempts to commit, advocates, facilitates, or participates in terrorist acts” In these annual certifications, NPA also represented that “[b]efore providing any material support or resources to an individual or entity,” it would (1) “verify that the individual or entity does not appear . . . on the [SDN List],” and (2) “consider all information about that individual or entity . . . that is reasonably available to it or of which it should be aware.” The annual certifications defined “material support and resources” to include “training [and] expert advice or assistance.”

Notwithstanding the above-referenced certifications, NPA provided training and expert advice or assistance to Iran, as well as to Hamas, PFLP, and DFLP. With respect to Iran, from 2001 through 2008, NPA performed mine clearance activities in Iran that were integral to an Iranian oil development project. Among other things, NPA (1) conducted risk assessments of the areas in Iran where the oil exploration and processing activities were to occur, (2) surveyed those areas for landmines and other unexploded ordnance, (3) trained members of the Iranian Army on how to conduct mine clearance activities, (4) accompanied and advised members of the Iranian Army as they conducted mine clearance activities in the relevant areas, and (5) conducted some mine clearance activities itself.

With respect to Hamas, PFLP, and DFLP, from 2012 through 2016, NPA provided representatives of those three SDN List entities with training and expert advice or assistance by funding a project called “Youth of Today . . . Leaders of Tomorrow.” Through this project, young people in the Gaza Strip, aged 15 through 28, who were affiliated with one of the project’s partner political parties – which included Hamas, PFLP, and DFLP – received training aimed at making them more effective participants in the political process. Such training included programs intended to improve the participants’ ability to organize, debate, negotiate, advocate for their positions, and resolve conflicts. In addition, through the Youth of Today project, NPA funded numerous workshops attended by young people in the Gaza Strip and senior officials from the partner political parties, including Hamas, PFLP, and DFLP. Hamas, PFLP, and DFLP

used information that they obtained from these workshops to alter their behavior in order to become more attractive to youth and, thereby, benefit from increased youth support.

Because NPA provided training and expert advice or assistance to Iran (through the above-referenced oil development project), as well as to Hamas, PFLP, and DFLP (through the Youth of Today project), its certifications to USAID that, to the best of its knowledge, it had not provided and would take all reasonable steps to ensure that it did not knowingly provide material support or resources to any prohibited parties were false. As a result of those false certifications, NPA induced USAID to provide it with grant funding that, but for the false certifications, USAID would not have provided.

As part of the settlement, NPA admitted, acknowledged, and accepted responsibility for its conduct, including that: (1) “NPA’s participation in the [Iranian] oil development project was inconsistent with its Certifications to USAID”; and (2) “[t]he ‘Youth of Today . . . Leaders of Tomorrow’ training programs and workshops were conducted in a manner that was inconsistent with NPA’s Certifications to USAID, in that they were attended by representatives of entities that were prohibited parties under U.S. law, including entities that were identified on the SDN List as prohibited parties.”

In connection with the settlement, NPA has also revised its internal policies to ensure that it complies with applicable U.S. laws and the terms of any grants it receives. Such revisions include changes to its “Policy on Compliance with USAID Grants and U.S. Economic Sanctions Programs” to provide for additional training of NPA managers and administrative staff on compliance with applicable U.S. laws and grant terms; regular audits by an external auditor of NPA’s compliance with applicable U.S. laws and grant terms; and periodic reviews for purposes of making appropriate updates to relevant NPA internal policies and procedures. Moreover, upon request by USAID or any other U.S. agency that provides NPA with grants or any other type of funding, NPA shall provide such agency with, among other things, a written report, prepared by the external auditor, of the results of each of the above-referenced audits, and a description of any actions taken by NPA in response to such audits.

In connection with the filing of the lawsuit and settlement, the Government joined a private whistleblower lawsuit that previously had been filed under seal pursuant to the False Claims Act.

This is the second case that this Office has pursued successfully against a recipient of USAID grant funds based on allegations that it provided material support to prohibited parties under U.S. law. In March 2017, the Office resolved a similar case against the American University of Beirut.

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Mr. Berman thanked the USAID Office of Inspector General for its investigative efforts and assistance with the case.

The case is being handled by the Office’s Civil Frauds Unit. Assistant U.S. Attorney Christopher B. Harwood is in charge of the case.