



USAID
FROM THE AMERICAN PEOPLE

FOR IMMEDIATE RELEASE

July 28, 2010

Press Office: 202-712-1150

Public Information: 202-712-4810

www.usaid.gov

PRESS RELEASE

Executive Director of Islamic Charitable Entity With Ties To Terrorist Organization Pleads Guilty

Washington, DC – Mubarak Hamed pleaded guilty in federal court on June 25, 2010, for his role in a conspiracy to illegally transfer over \$1 million to Iraq in violation of the International Emergency Economic Powers Act (IEEPA) and to obstruct the administration of the laws governing tax-exempt charities, according to Howard “Ike” Hendershot, Assistant Inspector General for Investigations, U.S. Agency for International Development (USAID).

Hamed, 53, formerly of Columbia Missouri, pled guilty before Judge Nanette K. Laughrey, U.S. District Court for the Western District of Missouri, to conspiracy, false statements, and violation of the IEEPA. Hamed is a naturalized U.S. citizen and native of Sudan.

Hamed was the executive director of the Islamic American Relief Agency (IARA), an Islamic charitable organization formed in 1985 to raise donations in the United States to assist in the African famine crises. Formerly known as the Islamic African Relief Agency—United States Affiliate, IARA was the U.S. branch office of a global network known as the Islamic Relief Agency, or ISRA, headquartered in Khartoum, Sudan. IARA was closed in October 2004 after the U.S. Treasury Department identified it as a specially designated global terrorist organization because the international offices of ISRA had provided financial support for Osama bin Laden, Al-Qaida, and the Taliban. IARA had entered into cooperative agreements totaling \$1.3 million with USAID for relief projects in the African nation of Mali. USAID terminated the agreements in December 1999, and IARA was later debarred from obtaining any further USAID awards.

Hamed and others were charged with conspiracy, theft of public funds, money-laundering, and IEEPA violations in a 42-count indictment issued in January 2008. During his plea hearing, Hamed admitted that he and IARA had solicited charitable contributions throughout the United States and then illegally transferred funds to Iraq with the assistance of a Sudanese man living in Jordan, who was subsequently identified by the U.S. Treasury Department as a specially designated global terrorist. Furthermore, Hamed said he had regularly wired funds to this person. The U.S. Government believes that Hamed transferred approximately \$1.2 million to Iraq.

Under federal statutes, Hamed is subject to a sentence of up to 20 years in federal prison without parole, plus a fine of up to \$1.5 million. A sentencing hearing will be scheduled after the completion of a pre-sentence investigation by the U.S. Probation Office.

Hamed is the third defendant to plead guilty in this case. Co-defendant Ali Mohamed Bagegni, 56, a Libyan native who is a naturalized U.S. citizen and former resident of Columbia, pleaded guilty on April 6, 2010, to his role in the conspiracy. Bagegni was a member of the board of directors of IARA. Co-defendant Ahmad Mustafa, 57, of Columbia, a citizen of Iraq and a lawful permanent resident alien of the United States, pleaded guilty on December 17, 2009, to illegally

transferring funds to Iraq in violation of IEEPA. Mustafa worked as a fund-raiser for IARA and traveled throughout the United States soliciting charitable contributions.

The case is being prosecuted the U.S. Department of Justice and was investigated jointly by the USAID Office of Inspector General, the Federal Bureau of Investigation, and the Internal Revenue Service.

###

For more information about USAID's programs, please visit: www.usaid.gov/.

The American people, through the U.S. Agency for International Development, have provided economic and humanitarian assistance worldwide for nearly 50 years.



USAID on Facebook



USAID on Twitter



USAID on YouTube



USAID on LinkedIn