

Fueling Chaos: Tracing the Flow of Tax-Exempt Dollars to Antisemitism

Written Testimony of

Lara L. Burns

Head of Terrorism Research, Program on Extremism

The George Washington University

Committee on Ways and Means

U.S House of Representatives

July 23, 2024

Chairman Smith, Ranking Member Neal, esteemed members of the Committee:

Thank you for the opportunity to testify on the role of tax-exempt organizations fueling antisemitism in the US and funding terrorism abroad.

Terrorist organizations have used nonprofit tax-exempt organizations as fronts for their activities for decades in the United States. These activities persist today. They use these organizations as cover and concealment for their illicit financing, and they also use them to further their propaganda and influence campaigns where they seek to radicalize, spread disinformation, and recruit support for their causes.

HAMAS' foundation is and has always been in its social services programs that it uses to groom, recruit and radicalize. As HAMAS emanated from the Muslim Brotherhood, it had a network of social service programs at its disposal upon its birth. The overall purpose of the charitable organizations inside Gaza and the West Bank is to gain the hearts and minds of the local population. They aim to do this in two ways: 1) by providing aid to those in need and 2) by radicalizing the youth. For decades, HAMAS has provided aid in all forms to the people of Gaza and the West Bank, in an attempt to secure a large pool of potential fighters and facilitators, to

gain the ability to use homes, businesses, and hospitals as cover for their weapons, leaders, tunnels and operations, and to ultimately seize control over the population like they did in Gaza in 2007.

The second purpose of its charitable wing inside the territories is to build and direct schools, mosques, youth groups, and youth sports clubs, so that they can seed their radical, extremist, antisemitic ideology into young children and ensure that their messaging is persistent throughout their youth and into adulthood. Some of the schools they have created and operated, with the assistance of charitable organizations in the United States, teach kindergartners and elementary school children to celebrate the killing of Jews, to praise suicide bombers, to march with HAMAS flags while carrying grenade launchers, and to mimic murdering Jews.

In 1988 and with the Muslim Brotherhood's blessing, HAMAS developed its US-based structure that included: the Holy Land Foundation for Relief and Development (HLF), its primary fundraising arm that was based in Richardson, Texas; the Islamic Association for Palestine (IAP), its primary propaganda organization which was based in Chicago, IL; and the United Association for Studies and Research, a research institute that was based in Falls Church, VA. The current HAMAS Deputy Political Bureau Chief Mousa Abu Marzook, who was a graduate student in the United States at the time, was the architect behind this infrastructure. These three organizations operated in the US as tax exempt organizations. During the early years of these organizations, Marzook rose to power within HAMAS' Political Bureau while retaining oversight of the HLF, IAP and UASR, and while securing Iran's financial and political support for HAMAS. HAMAS and Iran were aligned then, and they are today in their Axis of Resistance against Israel and the United States.

In order to understand the evolution of HAMAS in America, it is important to examine its history and tactics in the United States. The HLF was based in Richardson, Texas, from the early 1990s and funded HAMAS charitable, religious and educational entities in the West Bank and Gaza, including some of schools where children were taught hate, violence, antisemitism, and terrorist ideology. At the outset, the HLF sent the funds via wire directly to the organizations in the territories. The HLF openly held HAMAS fundraisers in conjunction with the IAP on US soil where they sang in Arabic, and celebrated along-side children about HAMAS and the killing of Jews. ii

In 1993, when the Oslo Accords were signed, leading a path to potential peace between the Palestinian Authority and Israel, HAMAS vowed to derail those accords as did leaders of the HAMAS infrastructure in the United States. This is important as what happened in 1993 arguably set the stage for what we are seeing in the United States today.

The US-based HAMAS leaders held a meeting in 1993 in Philadelphia where they discussed how to avoid law enforcement scrutiny. They recognized they could not openly bear the HAMAS banner and instead planned to quietly support HAMAS under the cloak of charity, while speaking about "democracy and freedom of expression" because those concepts resonated with Americans. They vowed to deceive the United States government and the American population. They stated, "War is Deception."

They recognized the need to open new organizations in the event their existing organizations were shut down. They voiced the need to spread their version of Islam in schools so that the children within the Muslim community in the US did not "grow up surrendering to the issue of peace with the Jews." They recognized the need to infiltrate "American media outlets, universities and research centers." They understood their messaging could not be openly antisemitic or terroristic at the time, but they also knew they could gradually change that by seeking to slowly normalize the HAMAS narrative.

They then plotted to create a new organization as "an official U.S. cover representing the Islamic community...and as cover for the existing organizations." Several months later, some of the attendees did as planned and created the Council on American Islamic Relations (CAIR). Nihad Awad and Omar Ahmad, both attendees at the 1993 meeting, led CAIR in its infancy and Awad remains its loudest voice today.

As HAMAS became more violent and was designated as a terrorist organization, the HLF sought to insulate themselves by sending the funds through bank accounts in other foreign countries, where they believed US law enforcement agencies could not reach. They also opened their own offices in Gaza and the West Bank, where they wired the money to themselves and distributed cash so that the ultimate recipients were often difficult to identify.

The HLF's efforts at concealing their support for HAMAS were ultimately defeated. The US government designated the HLF as a HAMAS terrorist organization in December 2001 and

shuttered its doors. The individuals that ran the US-based HAMAS infrastructure continued to operate, developing new and different banners with some fresh faces, while maintaining the same agendas and activities. Some of those US-based fundraising organizations proceeded with former HLF and IAP personnel, some of the same HAMAS-aligned recipients in Gaza and the West Bank, and with some of the same, yet hidden, goals. In the meantime, CAIR flourished and began to partner with other non-profit organizations with links to HAMAS and the Muslim Brotherhood, but also sought to legitimize themselves by partnering with mainstream organizations and outreach to the US Government, to enhance their political strength and bolster their voice.

The HLF and five of its officers were charged and ultimately convicted of providing material support to HAMAS in 2008. At the time, the US-based HAMAS infrastructure's roots in the US were vast and deep, and the disruption of the HLF was akin to removing a branch from a tree. The HAMAS infrastructure survived, grew, and formed new branches along the way.

Despite the designation and prosecution of the HLF and some of its officers, HAMAS' original goals of spreading antisemitism and HAMAS-related propaganda within the US and raising money to fund its charitable wing in Gaza and the West Bank still exist and function through US-based organizations with some knowing and some unknowing participants. Their tactics have evolved, and they conceal their motives under the cloak of charity as they conspired to do at the 1993 meeting.

A variety of tax exempt organizations in the United States have been publicly accused of providing support to HAMAS. In examining these organizations, key factors to consider are their leadership's ties to terrorist organizations and whether they spread HAMAS' propaganda, the organizations' international recipients, their financial transparency, and whether their financial patterns raise concerns.

Charitable organizations can utilize many tools to finance terrorism, without overtly appearing to do so. They can create a series of shell companies and foreign bank accounts, rendering it difficult to trace the money and identify the ultimate recipients. They can create their own offices within conflict zones, wiring the money to themselves and issuing cash disbursements that are difficult to trace. They can hand-carry the money from the US without filing appropriate

reporting documents so the funds remain undetected. They can also disguise cash as shipments of goods, violating reporting requirements.

An area of vulnerability exists in the practice of 501(c)3s receiving and distributing gifts in kind (GIK). If charities desire to subvert the law, they may exploit the GIK mechanism. A common exploitation involves multiple charities claiming receipt and distribution of the same GIK shipment, falsely inflating their bottom lines and camouflaging the fact that a high percentage of their cash donations are used for salaries and expenses, rather than for the recipients they claim to support. Further, for-profit companies can donate large amounts of items that are used, expired, and/or otherwise worthless to complicit charitable organizations and obtain large tax deductions for those donations. The charitable organizations can then pass on the worthless items to conflict zones where they cause more economic and physical damage than no donations at all.

Organizations that seek to covertly support terrorism can abuse the GIK mechanism in a variety of ways. Large GIK donations can be used to conceal the origin of illicit foreign financing. GIK can also be used to camouflage cash shipments, to facilitate trade-based money laundering, and to conceal shipments of prohibited or restricted items to sanctioned entities or countries.

In reviewing financial patterns of several organizations who have publicly been accused of supporting HAMAS a pattern emerged involving GIK. Specifically, several of these entities have reported a large percentage of their revenue as coming from GIK, and specifically millions of dollars in medical supplies or equipment, while their independent audit reports do little to verify the nature of the supplies, how they were disbursed, or to whom. Additionally, at least one organization has noted on its Form 990 public filings that it no longer retains documents to substantiate its distributions, which should be a large red flag to any potential donor or investigative body.

An example of a tax-exempt organization that warrants additional scrutiny is a Texas-based organization, United Hands Relief (UHR). UHR is a 501(c)3 charitable organization that has operated as a federally tax-exempt organization since 2016. In looking at its leadership, one of the directors stands out. Hatem Fariz is a twice-convicted felon, convicted in Florida of conspiring to provide support to the Palestinian Islamic Jihad (PIJ) terrorist organization and in Illinois for operating a grocery store as a front for a food-stamp fraud conspiracy^{iv}. Fariz appeared on UHR tax filings for the year 2018^v, the same year UHR's revenue increased 50-fold

with over \$ 6.3 million listed as medical supplies in the form of donations in kind (GIK) with few details in the public Form 990 about the donor(s) or the recipient(s); the nature of the medical supplies; nor how, when, or by whom they were transferred.

In examining UHR's financials in its public Form 990s between 2016 and 2021, UHR did not reveal the identities of its foreign recipients; however, one of their partners in Gaza, the Unlimited Friends Association (UFA), proudly displays their partnership with UHR and other US-based non-profits, vi and some reporting indicates UFA is tied to HAMAS vii.

Organizations like UHR are not merely suspected of financing terror abroad, but also financing organizations that spread antisemitism and hate here in the US. In 2021, they listed 16.8 million in revenue with 11.6 million of that as medical supplies in the form of donations in kind. They claimed a majority of the aid went to unnamed foreign recipients, but identified three domestic recipients of cash distributions in the Form 990. One of the domestic recipients was the AJP Education Foundation (AJP), the alter-ego of American Muslims For Palestine (AMP). In 2022, AJP was their top domestic recipient, receiving \$55,000. Another 2022 domestic recipient was the US Council of Muslim Organizations (USCMO), and organization co-founded by AMP and CAIR, among a few others, and of which UHR is a member.

The AMP emerged in 2006, with former IAP affiliates leading the way including Osama Abuirshaid, the former editor of the IAP's newsletter. AMP's stated goals include teaching the public in America about Palestine "through grassroots mobilization and advocacy." AMP's registered name in its tax-exempt filings is AJP Educational Foundation, a 501 (c)3, which is a direct affiliate of AJP Action, a 501(c)4 lobbying organization founded in 2021. AMP and AJP are the target of litigation in multiple jurisdictions, for their alleged ties to HAMAS. In a case against AMP and AJP under the Anti-Terrorism Act, the plaintiffs asserted AMP and AJP were a mere continuation of the IAP, and a federal court in Chicago has ruled there is sufficient evidence for the plaintiffs to proceed with the case. Recently, the Attorney General in the state of Virginia issued a Civil Investigative Demand to AMP for records relating to its alleged use of funds "for impermissible purposes...including providing support to terrorist organizations." and despite AMP's objections, just last week the Richmond Circuit Court has compelled AMP to comply.

After the brutal October 7 attack on Israel, a number of individuals in the US have indicated support for HAMAS and spread antisemitic rhetoric in sermons and speeches. In November 2023, CAIR leader Nihad Awad spoke at an AMP convention in Chicago and discussed the October 7 HAMAS attacks, which he said made him happy. Specifically, he said, "I was happy to see people breaking the siege" and he stated that Israel had no right to defend itself. Another speaker at the conference was Osama Abuirshaid of AMP. In November 2023, a separate CAIR official, with prior ties to the HLF, veclaimed Israel "should be attacked" and had no right to defend itself. In May 2024, a third CAIR official, with prior ties to the HLF, discussed the Israel-HAMAS war in a sermon and said, "Oh Allah, support our brothers in Gaza, stand by them and accept their martyrs, support them against our enemies, Your enemies, the enemies of Islam. Oh Allah, we can see the glad tidings of victory."

Osama Abuirshaid, who was the former editor of the IAP's newsletter and current Executive Director of AMP, spoke at campus protests and claimed Israel was committing genocide in Gaza and that actions against US-based protests were a "war on us here in America." In another speech on a college campus, Abuirshaid called for the end of Imperialism and Zionism and vehemently stated, "We will take back these colleges, as we will take back America, as we will take back Palestine..."

Slogans like "Death to America" and "Death to Israel" have been displayed in some of the protest environments. Iran and HAMAS have both voiced support for these US-based protests. Iranian Revolutionary Guard Commander Hossein Salami said these protests are the exportation of the Iranian Revolution to the United States. He went on to say, "Iran is today a global superpower. Iran is invincible...The slogans of the Iranian nation are reiterated and heard at the American universities..." A member of HAMAS Political Bureau, Izzat Al-Risheq, praised the protesters publicly, "because of their rejection of the genocide that our Palestinian people are the subjected in the Gaza Strip at the hands of the neo-Nazi Zionists."

The Supreme Leader of Iran also publicly praised the protesters stating, "Today's students are the leaders of the future." Separately, he celebrated the sight of Hizballah's flag on US soil stating, "The people of the world are supporting the Resistance Front because they are resisting & because they are against oppression." Hizballah is aligned with HAMAS, Iran and other terrorist groups in the Axis of Resistance against the United States and Israel.

On July 9, 2024, the Director of National Intelligence, Avril Haines, released a statement about Iran's increasing influence campaign in the United States, noting Iran was "Seeking to stoke discord and undermine confidence in our democratic institutions." Therein, she warned that intelligence exists to show Iran has "sought to opportunistically take advantage of ongoing protests regarding the war in Gaza." She went on to state:

Americans who participate in protests are, in good faith, expressing their views on the conflict in Gaza – this intelligence does not indicate otherwise. Moreover, the freedom to express diverse views, when done peacefully, is essential to our democracy, but it is also important to warn of foreign actors who seek to exploit our debate for their own purposes^{xxv}.

CAIR reacted to the DNI statement with condemnation. They said, in part:

Director Haines must immediately clarify her vague and potentially dangerous public claim that over the past few weeks Iranians using social media have attempted to stoke protests or give donations in support of protests...In the absence of any detail or evidence whatsoever, Director Haines has given anti-Palestinian and anti-Muslim extremists leeway to exaggerate her claim, cast suspicion on future protests, and further endanger Americans^{xxvi}.

The foregoing is only one of many attempts by CAIR to deflect focus away from HAMAS and Iran. On July 16, 2024, media outlets reported the US government was aware of an Iranian plot to assassinate former President Donald Trump, and on July 17, 2024, CAIR's Nihad Awad responded by suggesting Israel was behind this reporting. "Are you sure this is not an Israeli plot to ignite another war between the US and other countries in the Middle East at its behest?" xxviii

The question that should be asked is: Are the narratives driven by some of the leaders of AMP, CAIR and other related organizations mere peaceful protests and the exercise of free speech, or are they part of a broader strategy crafted and driven by HAMAS, Iran, and the Axis of Resistance, that is a product of their long-standing propaganda and educational campaign that was outlined in the 1993 meeting here in the US?

Antisemitic rhetoric abounds throughout the country. Some radical religious leaders in the US have called for the annihilation of Jews and referred to them as brothers of "apes and pigs." Some have also blamed Israel for the brutal October 7 attack. Further, one preached about slaughtering Jews "like sheep." xxix

Of great concern is US-based institutions and schools who operate as tax-exempt organizations and use those institutions to teach terrorist propaganda and antisemitism. In Miami, Imam Fadi Kablawi lectures at the tax-exempt North Miami Islamic Center, also known as the Masjid As-Sunna An-Nabawiyyah, which operates a K-12 school, the Reviver Academy. For several years, Kablawi has given public sermons wherein he calls for the destruction of Israel, the annihilation of Jewish people, and praises the "mujahadeen" in Gazaxxxii, a reference to HAMAS fighters, without rebuke from the Mosque or school leaders. He concurrently raised funds for the schoolxxxiii and posted an advertisement to hire teachers for the school. In May 2024, the State of Florida initiated an inquiry into Reviver Academy, threatening to pull the school's vouchers. As of July 20, 2024, Kablawi appears on the Mosque's lecture calendar.

When terrorist propaganda and influence campaigns lead to the normalization of antisemitic rhetoric and support for terrorist organizations on US soil, a threat to our national security exists. When it becomes acceptable to voice hate against an individual or group because of their ethnicity, race, religion, or gender, and to advocate for violence and death of those people because of the color of their skin, whether they are brown, black, or white, or because of their religion, whether they are Muslim, Jewish, Christian, or other, a threat exists not only to our national security, but to our system of Democracy.

HAMAS' use of US-based tax-exempt organizations to finance its activities and spread its propaganda poses an imminent threat to our country today. Addressing this problem requires a whole-of-government approach. Enhanced reporting requirements for, and scrutiny of, tax-exempt organizations who have opaque reporting, suspicious financial patterns, and disproportionately large, unsubstantiated gifts in kind would enable a more thorough analysis of their activities. Illicit terrorism financing and foreign influence investigations are complex, with actors and activities spanning the globe. Thorough investigations require numerous resources and the collaboration between all available federal, state and local law enforcement agencies, and the use of all lawful investigative tools. For example, as the money moves internationally, the use of the Patriot Act subpoenas is inherently necessary to understand the problem. Further, there is a need for aggressive OFAC designations of individuals and entities, both domestic and foreign, who support and deal with HAMAS, Hizballah, and Iran.

Chairman Smith, Ranking Member Neal, esteemed members of the Committee, these are just some initial thoughts on this very important and complex matter. I thank you again for this opportunity and look forward to your questions.

- xiii Gabe Kaminsky, "Anti-Israel Group with Alleged Terrorism Ties Ordered by Judge to Turn over Finances," *Washington Examiner*, July 16, 2024, https://www.washingtonexaminer.com/news/3085113/anti-israel-group-with-alleged-terrorism-ties-ordered-by-judge-turn-over-finances/.
- xiv CAIR Executive Director Nihad Awad At American Muslims For Palestine (AMP) Convention: I Was Happy To See The People Of Gaza Break The Siege On October 7; They Were Victorious; The People Of Gaza Have The Right To Self-Defense Israel Does Not," *MEMRI*, December 7, 2023, www.memri.org/reports/cair-executive-director-nihad-awad-american-muslims-palestine-amp-convention-i-was-happy-see.
- xv https://www.latimes.com/archives/la-xpm-2001-dec-07-me-12469-story.html
- xvi Online Platforms "ISOCMasjid on YouTube," "CAIR-LA Director Hussam Ayloush At November 2023 Islamic Society Of Orange County Event: Israel Should Be Attacked And Does Not Have The Right To Defend Itself; Islamic Scholar Zaid Shakir: Trump Is Crazy Enough To Create A Palestinian State If We Tell Him His Face Will Be On Mount Rushmore," *MEMRI*, November 12, 2023, https://www.memri.org/tv/orange-county-ca-palestinians-right-resist-occupation-poetry-protests-picking-up-arms-israel.
- xvii Ayman Aishat v. U.S. Department of Homeland Security
- xviii Online Platforms "Masjid Hawthorne on YouTube," "CAIR Official Ayman Aishat In California Friday Sermon: The Zionist Movement Conspired To Make Muslims Fight Each Other, This Was Herzl's Protocol; 'Oh Allah, Annihilate The Plundering Zionist Aggressors," *MEMRI*, May 3, 2024, https://www.memri.org/tv/cair-official-ayman-aishat-friday-sermon-devils-united-against-islam-protocols-elders-of-zion.
- xix American Muslims for Palestine, "AMP Executive Director, Dr. Osama Abuirshaid delivers a powerful speech at the Columbia University Encampment's press conference.," Facebook, April 25, 2024, https://www.facebook.com/watch/?v=1603828823790859
- xx Îsrael in the USA, transcribed by MEMRI, "We will take back these colleges, as we will take back America, as we will take back Palestine" American Muslims for Palestine 's executive director Osama Abuirshaid at The George Washington University Encampment," Facebook, June 2, 2024, https://www.facebook.com/watch/?v=1102216851078330
- xxi Iranian Supreme Leader Ali Khamenei And Regime Mouthpiece 'Kayhan' On The Student Protests In The U.S. And Europe: 'This Is What We Call Exporting The Islamic Revolution!,'" *MEMRI*, May 25, 2024, https://www.memri.org/reports/iranian-supreme-leader-ali-khamenei-and-regime-mouthpiece-kayhan-student-protests-us-and.
- xxii Romina Ruiz-Goiriena, "Hamas and Iran Celebrate Anti-Gaza War Protests Taking US Colleges by Storm," *USA Today*, April 24, 2024, https://www.usatoday.com/story/news/politics/2024/04/24/hamas-iran-support-college-protests/73447123007/. xxiii *Ibid*.

i https://pbs.org/wgbh/pages/frontline/tehranbureau/2010/10/iran-primer-iran-and-the-palestinians.html

ii United States v. Mohammad El-Mezain, et al. (No. 09-10560, consolidated with 08-10774, December 7, 2011), https://www.ca5.uscourts.gov/opinions%5Cpub%5C09/09-10560-CR0.wpd.pdf

iii United States v. Mohamed El Mezain, et al (No. 09-10560, consolidated with 08-10774, December 7, 2011), (see trial transcript and exhibits labeled Philly Meeting Nos. 1-18), https://www.ca5.uscourts.gov/opinions%5Cpub%5C09/09-10560-CR0.wpd.pdf iv The Associated Press, "Jihad Backer Sentenced in Food Stamp Scam," NBC News, August 19, 2006, https://www.nbcnews.com/id/wbna14416473.

v https://projects.propublica.org/nonprofits/organizations/812039508/201921579349301307/full

vi https://ufa.ps/en

vii https://islamism.news/research/investigations/revealed-the-funding-behind-the-u-s-charitable-network-that-subsidizes-hamas/

viii https://projects.propublica.org/nonprofits/organizations/812039508/202223569349300542/full

ix https://uscmo.org/

x "About AMP," American Muslims for Palestine, accessed July 16, 2024, https://www.ampalestine.org/about-amp.

xi Our Story," AJP Action. Lobbying for Palestinian Rights, accessed July 17, 2024, https://ajpaction.org/services/ourstory/.

xii Stanely Boim v. American Muslims for Palestine, et al

xxiv Ibid.

 $^{{\}it xxv} \ https://dni.gov/index.php/newsroom/press-releases/press-releases-2024/3842-statement-from-director-of-national-intelligence-avril-haines-on-recent-iranian-influence-efforts$

xxvi https://cair.com/press_releases/cair-calls-on-dni-director-to-clarify-vague-potentially-dangerous-claim-about-iranian-influence-operations-share-info-on-israeli-campaign/

xxvii https://x.com/NihadAwad

xxviii Online Platforms - "of Masjid Al Iman of Fort Lauderdale Florida on Facebook," "Husam Kablawi At Fort Lauderdale Mosque Lecture: They Don't Teach You This In Public Schools, But Pearl Harbor, 9/11, The Holocaust Were All Deceptions; Everything The U.S. Does Is A Deception," *MEMRI*, May 11, 2024, https://www.memri.org/tv/husam-kablawi-ft-lauderdale-mosque-lecture-dont-teach-public-schools-pearl-harbor-nine-eleven-holocaust-all-deception-united-states.

xxix Online Platforms - "True Religion on YouTube," "Michigan Imam Abdou Al-Wali Zindani: Benjamin Franklin Warned Americans Against Immigration Of Zionist Jews; They Are Real Poison And Cancer, Killed The Prophets; The US, UK, Western Countries Should Stand Trial At ICC For Complicity With Israel," *MEMRI*, May 25, 2024, https://www.memri.org/tv/michigan-imam-abdou-wali-zindani-benjamin-franklin-warned-america-jews-zionists.

xxx https://www.masjidmiami.com/

xxxi https://www.memri.org/reports/memri-weekly-may-10-17-2024

xxxiii https://www.memri.org/tv/floriday-imam-dr-fadi-yousef-kablawi-allah-make-blessed-ramadan-victory-seize-enjoy-live-jewish-settlements-inherit-land-home-property#:~:text=tragedy% 20upon% 20them.-

, Oh% 20 Allah% 2C% 20 turn% 20 their% 20 plots% 20 into% 20 their% 20 destruction% 2C% 20 and% 20 bring, a% 20 blessed% 20 month% 20 of% 20 victory.

xxxiii https://secure.givelively.org/donate/north-miami-islamic-center-inc/help-build-masjid-as-sunnah-an-nabawiyyah-s-reviver-academy/reviver-academy

xxxiv https://www.facebook.com/drfadikablawi/

xxxv https://www.miamiherald.com/news/local/education/article288538526.html

xxxvi https://www.masjidmiami.com/