

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

In re Terrorist Attacks on September 11, 2001	03 MDL 1570 (RCC) ECF Case RICO STATEMENT applicable to TALAL M. BADKOOK
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This document relates to:

Federal Insurance Co. v. al Qaida
03 CV 06978 (RCC)

RICO STATEMENT APPLICABLE TO TALAL M. BADKOOK

Based on information currently available, and pursuant to the Case Management Order dated June 15, 2004, plaintiffs submit this RICO statement for defendant Talal M. Badkook.

Given the vastly complicated nature of the conspiracy and other wrongdoing that led to the events of September 11, 2001, much information is presently unavailable to plaintiffs, absent discovery. Plaintiffs therefore reserve the right to amend this RICO statement as information is learned and verified and after discovery is obtained.

1. The unlawful conduct is in violation of 18 U.S.C. § 1962(a), (c) and/or (d).
2. The name of the defendant to whom this RICO statement pertains is Talal M. Badkook. The alleged misconduct and basis for liability is set forth in Exhibit "A".
3. Not applicable. All known wrongdoers are named as defendants in this action. Given the vastly complicated nature of the conspiracy and other wrongdoing that led to the events of September 11, 2001, however, much information is unavailable to plaintiffs, and the identities of other wrongdoers may be revealed through discovery. Plaintiffs therefore reserve the right to amend this RICO statement as information is learned and verified and after discovery is obtained.
4. The name of each victim and the manner in which each was injured is indicated on the chart attached hereto as Exhibit "B".
5. (a) list of predicate acts and specific statutes violated:

conspiracy to commit murder	NY CLS Penal § 105.15; NY CLS Penal § 125.25(xi)
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conspiracy to commit arson	NY CLS Penal § 105.15; NY CLS Penal § 150.15
fraud with identification documents	18 U.S.C. § 1028
Travel Act	18 U.S.C. § 1952
illegal transactions in monetary instruments	18 U.S.C. § 1956
money laundering	18 U.S.C. § 1957
financial institutions fraud	18 U.S.C. § 1344
mail fraud	18 U.S.C. § 1341
wire fraud	18 U.S.C. § 1343
Providing material support of Terrorism	18 U.S.C. § 2332(b)(g)(5)(B) 18 U.S.C. § 2339A 18 U.S.C. § 2339B 18 U.S.C. § 2339C
Anti-Terrorism Act	18 U.S.C. § 2332b

(b) dates of, the participants in, and a description of the facts surrounding the predicate acts

DATES	PARTICIPANTS	FACTS
early 1990s to 9/11/2001	Talal M. Badkook	Talal M. Badkook conspired to support terrorism and to obfuscate the roles of the various participants and conspirators in the al Qaida movement, which conspiracy culminated in the Attack.
early 1990s to 9/11/2001	Talal M. Badkook	Talal M. Badkook undertook the above-named actions as part of a conspiracy to commit murder and arson, in that he knew that the Enterprise in which he was participating, the al Qaida movement, planned to and would commit acts of deadly aggression against the United States in the near future, using the resources and support each supplied.
early 1990s	Talal M. Badkook	Talal M. Badkook agreed to form and associate himself with the Enterprise and

to 9/11/2001		agreed to commit more than two predicate acts, <i>i.e.</i> , multiple acts of money laundering, murder and arson, in furtherance of a pattern of racketeering activity in connection with the Enterprise.
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(c) not applicable

(d) No.

(e) No.

(f) The predicate acts form a pattern of racketeering in that they are continuous, and are a part of the Enterprise's regular way of doing business. Other of the defendants consistently, evenly constantly, laundered money, filed false tax returns, and otherwise impeded and impaired the administration of the tax laws as part of their scheme to conduit money to terrorists, and obfuscate their support of the al Qaida movement.

(g) The predicate acts relate to each other (horizontal relatedness) as part of a common plan because each act of money laundering, technical support and tax evasion allowed certain of the defendants to surreptitiously provide funds to terrorist organizations, including al Qaida, which conspiracy culminated in the Attack.

6.

(a) The enterprise (the "Enterprise" or "the al Qaida movement") is comprised of the defendants named in the First Amended Complaint, and is a collection of persons, organizations, businesses, and nations associated in fact.

(b) The Enterprise has its origins in the defeat of the Soviets in Afghanistan in the late 1980s, when Osama Bin Laden ("Bin Laden") formed an organization called "The Foundation" or "al Qaida." Al Qaida was intended to serve as a foundation upon which to build a global Islamic army. The structure of the Enterprise is an association in fact with common and complex goals that consist of far more than the mere desire to perpetrate the acts of racketeering outlined herein. Rather, the Enterprise utilizes acts of racketeering to further its overall common purposes of: (i) spreading a particularly virulent brand of radical, conservative Islam; (ii) eliminating Western influences in Islamic countries; and (iii) punishing Israel, and the United States for its perceived support of Israel. The al Qaida movement does not feature a centralized hierarchy, because the lack of a centralized hierarchy is essential to the Enterprise's clandestine nature and its success. Thus, although al Qaida had its own membership roster and a structure of "committees" to guide and oversee such functions as training terrorists, proposing targets, financing operations, and issuing edicts, the committees were not a hierarchical chain of command but were instead a means for coordinating functions and providing material support to operations. Talal M. Badkook fit neatly into this framework by raising and providing funds for and otherwise providing material support for al Qaida and the members of the Enterprise who planned, coordinated and carried out the Attack.

- (c) No.
 - (d) Talal M. Badkook is associated with the Enterprise.
 - (e) Talal M. Badkook is a member of the Enterprise, and is separate and distinct from the Enterprise.
 - (f) Talal M. Badkook intended to further the Attack and adopted the goal of furthering and/or facilitating that criminal endeavor, which criminal activity culminated in the Attack.
7. The pattern of racketeering activity conducted by Talal M. Badkook is separate from the existence of the al Qaida movement, but was a necessary component to the Attack.
 8. The Enterprise conducts terrorism all over the world; the racketeering activity conducted by Talal M. Badkook furthers and facilitates that activity, which activity culminated in the Attack. The usual and daily activities of the Enterprise includes recruitment, indoctrination, and the provisioning and operation of training camps, all of which activities are furthered and facilitated by the racketeering activities described herein.
 9. The Enterprise benefits by spreading its ideology, by suppressing other forms of Islam, and through the gratification of destroying its perceived enemies.
 10. The Enterprise, and the racketeering activities conducted by Talal M. Badkook, relies heavily on the American interstate system of commerce for banking, supplies, communications, and virtually all its essential commercial functions, and in that manner affects interstate commerce. Additionally, the Attack itself affected commerce. See Rasul v. Bush, 124 S. Ct. 2686, No. 03-334, 2004 U.S. LEXIS 4760, * 8 (stating that the Attack “severely damaged the U.S. economy”).
 11. Not applicable.
 12. Not applicable.
 13. The al Qaida movement “employs” certain individuals, only a few of whose identities are known, including defendant Osama bin Laden.
 14. The history of the conspiracy behind the al Qaida movement could, and has, filled many books, but for purposes of the present RICO Statement, the following is offered. From its inception, al Qaida has relied on well-placed financial facilitators and logistical sponsors, including Talal M. Badkook, to raise, manage and distribute money and resources for the Enterprise under the guise of legitimate banking business activity. Al Qaida also relied heavily on certain imams at mosques who were willing to divert the *zakat*, the mandatory charitable contributions required of all Muslims.

The funds thus raised were used to, among other things, operate terrorist training camps in the Sudan, Afghanistan and elsewhere, where some recruits were trained in conventional warfare but where the best and most zealous recruits received terrorist

training. The curriculum in the camps placed great emphasis on ideological and religious indoctrination. All trainees and other personnel were encouraged to think creatively about ways to commit mass murder.

The camps were able to operate only because of the worldwide network of fundraisers, recruiters, travel facilitators, and document forgers who vetted recruits and helped them get in and out of Afghanistan and the other countries where al Qaida maintained an operational presence. From the ranks of these recruits the nineteen perpetrators of the Attack were selected. None of this would have been possible without the funds and other support supplied by participants and conspirators like Talal M. Badkook. Indeed, the Enterprise would not have been successful without the enthusiastic participation of all of the conspirators, including Talal M. Badkook. In order to identify nineteen individuals willing, able and competent to carry out the Attack, al Qaida needed to select from a vast pool of recruits and trainees, which pool would not have been available to it without the assistance provided by Talal M. Badkook. These participants, with knowledge and intent, agreed to the overall objectives of the conspiracy, and agreed to commit at least two predicate acts and agreed to participate in the conspiracy, either expressly or impliedly. Talal M. Badkook also, with knowledge and intent, agreed to and did aid and abet all of the above illegal activities, RICO predicate acts, and RICO violations.

15. As the subrogees of both individual and property claimants, plaintiffs have been harmed in their business and property through the claims that they have paid out or for which they have reserved.
16. Plaintiffs' damages -- injuries, the loss of life and property damage that resulted from defendants' actions -- are direct in that they are not derivative of damage to a third party. Rather the plaintiffs' insureds' assignees were the "reasonably foreseeable victims of a RICO violation" and the "intended victims of the racketeering enterprise," *i.e.*, terrorism, the culmination of which was the Attack.
17. Each defendant is jointly and severally liable for the damages suffered by each plaintiff, as set forth in Exhibit "C".

18.

VI	Torture Victim Protection Act, 28 U.S.C. § 1350
VIII	RICO, 18 U.S.C. § 1962(c), 1962(d)
X	Anti-Terrorism Act, 18 U.S.C. § 2333

19. pendent state claims:

I	Trespass
II	Wrongful Death
III	Survival
IV	Assault & Battery

V	Intentional and Negligent Infliction of Emotional Distress
VII	Conspiracy
IX	Aiding and Abetting
XI	Negligence
XII	Punitive Damages

20. Not applicable

EXHIBIT “A”

RICO STATEMENT

QUESTION # 2

DEFENDANT	MISCONDUCT	BASIS OF LIABILITY
Talal M. Badkook	<p>Talal M. Badkook was part of a complex system through which al Qaida’s sponsors, including charities, businesses and individual businessmen, channeled support to that terrorist organization, both individually and through the M.M. Badkook Company, which he owns and controls.</p> <p>A senior officer of his company, Yassin Al-Qadi, has been designated by the U.S. government as a sponsor of terrorism because of his financial support of al Qaida. Al-Qadi and Badkook, the owner of the Company, were among the founders of the U.S. branch of Muwafaq (“Blessed Relief”), a purported charity which was used as a front to funnel money to al Qaida.</p> <p>Through Muwafaq, Badkook personally aided and abetted, conspired with, and provided material support and resources to al Qaida and affiliated foreign terrorist organizations, associations, organizations or persons.</p> <p>Muwafaq Ltd is an Islamic charity that transferred millions of dollars from wealthy Saudi businessmen to al Qaida. Muwafaq Ltd. was founded in 1991 as a private company in the Isle of Man but its primary headquarters was located in Jeddah, Saudi Arabia. In 1992, the charity registered as a trust in the Isle of Jersey, a Great Britain tax haven. The corporation was endowed by Khalid bin Mahfouz, a known al-Qaida financier. Muwafaq quickly started relief work in Bosnia, Somalia, Sudan, Pakistan, Ethiopia, Albania and Afghanistan and opened branches in Germany and Austria; however, the charity</p>	1962(a), 1962(c), 1962(d)

	<p>also functioned as a financing tool for al-Qaida as well as the general Islamic fundamentalist movement.</p> <p>Al-Qadi was the director and one of four shareholders for Muwafaq. In cooperation with Talal M. Bradkook and Dr. Mohaman Ali Elgari, Al-Qadi incorporated Muwafaq in Delaware in 1992 and operated the charity until 1997. During that time Al-Qadi spent roughly 15-20 million dollars of his own money on the day to day operations of Muwafaq.</p> <p>Muwafaq's ties to Islamic terrorism, specifically Osama bin Laden and al-Qaida, are widespread and pervasive. Chafiq Ayadi, an SDGT since October 12, 2001, headed Muwafaq's European operation upon the recommendation of Jalaidan in late 1992. According to a 2004 report from the Office of Foreign Assets Control (OFAC), the U.S. government has information that demonstrates this hiring occurred shortly after Ayadi's expulsion from Tunisia for belonging to an Islamic extremist group. During the mid-1990's, Ayadi also headed the Muwafaq branch in Bosnia. Ayadi was employed as director in charge of Muwafaq's European activities from 1992 to 1995 or 1996, and during that time Muwafaq officials transferred substantial sums to Ayadi's personal account.</p> <p>At the time of his appointment to be Muwafaq's European director, evidence indicates that Ayadi was operating under agreements to help Osama bin Laden. According to information available to the U.S. Government, Ayadi was one of the principal leaders of the Tunisian Islamic Gront, the military wing of the extremist Al-Nadha movement. Ayadi reportedly went to Afghanistan in the early 1990's to receive paramilitary training, and went to Sudan along with suspected Tunisian terrorist Muhammad Harrath and Abdallah Jajji in order to meet with Osama bin Laden. Later, according to information available to the U.S. Government,</p>	
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	<p>they met bin Laden a second time, in the presence of Hassan Turabi, where they secured Bin Laden's agreement for Bin Laden collaborators in Bosnia to receive Tunisian Al-Nadha mujaheddin from Italy.</p> <p>A considerable number of foreign and U.S. intelligence reports list Muwafaq as a primary source of funding for Islamic terrorist groups in several theatres of the globe. A U.S. intelligence report states Muwafaq has ties to the extremist group al Gama'at Al Islamiyya and that it funds Egyptian terrorists in Bosnia. Similarly, an internal memorandum by Spanish External Intelligence also found that Muwafaq maintained contacts with the Egyptian Gamaa Islamiya.</p> <p>According to information available to the U.S. Government, in 1995, the then-leader of Al-Gamaa Islamiya, Talad Fuad Kassem, said that Muwafaq had provided logistical support and financial support for a mujahadin battalion in Bosnia. Russia has also documented Muwafaq's terrorist activities. In a classified document that was released in 2003, the Counter-Terrorism Center for the Commonwealth and the Independent States, a unit of the Russian Ministry of Defense, states that—"the Muwafaq Foundation was set up to give assistance to the families of Islamic terrorists....The headquarters are located in Jeddah, KSA."</p> <p>A European intelligence source found that Khamir Amer Ballayth, an associate of Osama bin Laden, transferred between \$200,000 to \$250,000 to the Muwafaq foundation through the account of the Bin Jaad establishment at the Faysal Bank in Peshawar. According to a foreign intelligence document, the Muwafaq foundation provided capital Osama bin Laden's personally owned Animal Resources Bank of Sudan.</p> <p>Many of Muwafaq's employees are either members of or associated with Islamic terrorist groups. For instance, a European intelligence source found that al-Qaida operative Mahmond</p>	
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	<p>Mehdi was once a member of Muwafaq, as was an Afghan fighter and suspected Hamas member named Husam Tayeh. The same source alleged that Muwafaq opened a branch in Manila in 1994 in cooperation with Muhammad Jamal Khalifa, who is involved in the Abu Sayyaf Group and the Moro Islamic Liberation Front. Additionally, Jamal Khalifa is Osama Bin Laden's brother in law.</p> <p>Along the same lines, in 1995 Muwafaq's Islamabad office in Pakistan was raided by the police and its local director, Amir Mehdi, arrested due to suspicions of connections with Ramzi Yousef, the man behind the bombing of the WTC in 1993. Although the director was released three months later and no charges were brought against the charity, its operations in Pakistan were terminated. Upon his arrest, Mehdi was informed that telephone numbers, including a telephone number installed at his residence, had allegedly been used for contact by associates of terrorists operating in Pakistan and abroad.</p> <p>Talal M. Badkook is also a member of the Al-Mustaqbal group along with Saleh Mohamed bin Laden, son of Mohammed bin Laden, and Abdullah Saleh Kamel, son of Saleh Kamel, and the chairman of Dallah Al-Baraka.</p> <p>Absent the material support and sponsorship provided by Talal M. Badkook, al Qaida would have remained a regional extremist organization incapable of conducting large scale terrorist attacks on a global level.</p>	
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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

In re Terrorist Attacks on September 11, 2001	03 MDL 1570 (RCC) ECF Case RICO STATEMENT applicable to Suleiman Abdel Aziz Al Rajhi, Saleh Abdulaziz Al-Rajhi, and Abdullah Suleiman Al-Rajhi
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This document relates to: Federal Insurance Co. v. al Qaida
03 CV 06978 (RCC)

**AMENDED RICO STATEMENT APPLICABLE TO
SULEIMAN ABDEL AZIZ AL RAJHI,
SALEH ABDULAZIZ AL-RAJHI, AND ABDULLAH SULEIMAN AL-RAJHI**

Based on information currently available, and pursuant to the Case Management Order dated June 15, 2004, plaintiffs submit this RICO statement for defendants Suleiman Abdel Aziz Al Rajhi, Saleh Abdulaziz Al-Rajhi, and Abdullah Suleiman Al-Rajhi.¹

Given the vastly complicated nature of the conspiracy and other wrongdoing that led to the events of September 11, 2001, much information is presently unavailable to plaintiffs, absent discovery. Plaintiffs therefore reserve the right to amend this RICO statement as information is learned and verified and after discovery is obtained.

1. The unlawful conduct is in violation of 18 U.S.C. § 1962(c) and/or (d).
2. The names of the defendant to whom this RICO statement pertains are Suleiman Abdel Aziz Al Rajhi, Saleh Abdulaziz Al-Rajhi, and Abdullah Suleiman Al-Rajhi. The alleged misconduct and basis for liability is set forth in Exhibit "A".

¹ Given the ownership and control these defendants had over the underlying entities, Plaintiffs herein incorporate by reference throughout this document the factual averments and arguments contained within its previously filed Memorandum of Law and Surreply filed in Response to the Motion to Dismiss filed by SAAR Network Entity Defendants African Muslim Agency, Grove Corporate, Inc., Heritage Education Trust, International Institute of Islamic Thought, Mar-Jac Investments, Inc., Mena Corporation, Reston Investments, Safa Trust, Sana-Bell, Inc., Sterling Charitable Gift Fund, Sterling Management Group, Inc., and York Foundation, as well as its Amended RICO Statement Applicable to al Rajhi Banking and Investment Corporation and RICO Statement applicable to the SAAR Network Entities.

3. Not applicable. All known wrongdoers are named as defendants in this action. Given the vastly complicated nature of the conspiracy and other wrongdoing that led to the events of September 11, 2001, however, much information is unavailable to plaintiffs, and the identities of other wrongdoers may be revealed through discovery. Plaintiffs therefore reserve the right to amend this RICO statement as information is learned and verified and after discovery is obtained.
4. The name of each victim and the manner in which each was injured is indicated on the chart attached hereto as Exhibit "B".
5. (a) list of predicate acts and specific statutes violated:

conspiracy to commit murder	NY CLS Penal § 105.15; NY CLS Penal § 125.25(xi)
conspiracy to commit arson	NY CLS Penal § 105.15; NY CLS Penal § 150.15
Travel Act	18 U.S.C. § 1952
illegal transactions in monetary instruments	18 U.S.C. § 1956
money laundering	18 U.S.C. § 1957
mail fraud	18 U.S.C. § 1341
wire fraud	18 U.S.C. § 1343

- (b) dates of, the participants in, and a description of the facts surrounding the predicate acts

DATES	PARTICIPANTS	FACTS
early 1990s to 9/11/2001	Suleiman Abdel Aziz Al Rajhi, Saleh Abdulaziz Al-Rajhi, and Abdullah Suleiman Al-Rajhi	Suleiman Abdel Aziz Al Rajhi, Saleh Abdulaziz Al-Rajhi, and Abdullah Suleiman Al-Rajhi conspired to support terrorism and to obfuscate the roles of the various participants and conspirators in the al Qaida Movement to perpetrate radical Muslim terrorism, which conspiracy culminated in the Attack.

early 1990s to 9/11/2001	Suleiman Abdel Aziz Al Rajhi, Saleh Abdulaziz Al-Rajhi, and Abdullah Suleiman Al-Rajhi	Suleiman Abdel Aziz Al Rajhi, Saleh Abdulaziz Al-Rajhi, and Abdullah Suleiman Al-Rajhi used banking and financial operations to knowingly and intentionally provide financial services to al Qaida and its members, as well as organizations which it knew were providing support to the Enterprise.
early 1990s to 9/11/2001	Suleiman Abdel Aziz Al Rajhi, Saleh Abdulaziz Al-Rajhi, and Abdullah Suleiman Al-Rajhi	Suleiman Abdel Aziz Al Rajhi, Saleh Abdulaziz Al-Rajhi, and Abdullah Suleiman Al-Rajhi undertook the above-named actions as part of a conspiracy to commit murder and arson, in that it knew that the Enterprise in which it was participating, the al Qaida Movement to perpetrate radical Muslim terrorism, planned to and would commit an act of deadly aggression against the United States in the near future, using the resources and support it supplied.
early 1990s to 9/11/2001	Suleiman Abdel Aziz Al Rajhi, Saleh Abdulaziz Al-Rajhi, and Abdullah Suleiman Al-Rajhi	Suleiman Abdel Aziz Al Rajhi, Saleh Abdulaziz Al-Rajhi, and Abdullah Suleiman Al-Rajhi agreed to form and associate itself with the Enterprise and agreed to commit more than two predicate acts, <i>i.e.</i> , multiple acts of murder and arson, in furtherance of a pattern of racketeering activity in connection with the Enterprise.

(c) not applicable

(d) No.

(e) No.

(f) The predicate acts form a pattern of racketeering in that they are continuous, and are a part of the Enterprise's regular way of doing business. Suleiman Abdel Aziz Al Rajhi, Saleh Abdulaziz Al-Rajhi, and Abdullah Suleiman Al-Rajhi consistently, even constantly, laundered money, filed false tax returns, and otherwise impeded and impaired the administration of the tax laws as part of their scheme to conduit money to terrorists, and yet obfuscated their support of the al Qaida Movement to perpetrate radical Muslim terrorism. The SAAR Network of entities (named for Suleiman Abdel Aziz Al Rajhi) controlled by these defendants routinely moved around millions of dollars between them, with no innocent explanation for the layers of transactions taking place other than to obfuscate the fact that this money was going through these

companies to offshore, untraceable banks in the Isle of Man, the Bahamas and other locations, ultimately to support the Enterprise. Much of this money has moved through two men, Youssef Nada and Ahmed Idris Nasreddin, and the banks they control in the Bahamas, Bank al Taqwa and Akida Bank Private Ltd., which have been designated conduits for terrorist funds by the U.S. Treasury Department for their longtime support of Hamas and al Qaida. Its tax records indicated it had taken in \$1.8 billion in contributions in 1998. Between 1996 and 2000, approximately \$26 million was funneled from the SAAR network of charities to the York International Trust and Humana Charitable Trust, both Isle of Man entities controlled both other members of the enterprise all working from the same location in Herndon, Virginia. In other words, Suleiman Abdel Aziz Al Rajhi, Saleh Abdulaziz Al-Rajhi, and Abdullah Suleiman Al-Rajhi directed funds through a series of other entities over which they had influence until those funds ultimately reached a shell company in the Isle of Man, where they could no longer be tracked by federal authorities. These transactions bear all of the hallmarks of money laundering in support of terrorism. Such money laundering, the filing of false tax returns, and tax evasion were all in furtherance of a conspiracy to commit murder and arson which culminated in the Attack.

- (g) The predicate acts relate to each other (horizontal relatedness) as part of a common plan because each act of money laundering and tax evasion allowed certain of the defendants to surreptitiously provide funds to terrorist organizations, including al Qaida, which conspiracy culminated in the Attack.

6.

- (a) The enterprise (the “Enterprise” or “the al Qaida Movement to perpetrate radical Muslim terrorism”) is comprised of the defendants named in the First Amended Complaint, and is a collection of persons, organizations, businesses, and nations associated in fact.

- (b) The Enterprise has its origins in the defeat of the Soviets in Afghanistan in the late 1980s, when Osama Bin Ladin (“Bin Ladin”) formed an organization called “The Foundation” or “al Qaida.” Al Qaida was intended to serve as a foundation upon which to build a global Islamic army. The structure of the Enterprise is an association in fact with common and complex goals that consist of far more than the mere desire to perpetrate the acts of racketeering outlined herein. Rather, the Enterprise utilizes acts of racketeering to further its overall common purposes of: (i) spreading a particularly virulent brand of radical, conservative Islam; (ii) eliminating Western influences in Islamic countries, including Western influences that are perceived to keep in power repressive Saudi American regimes that are not true to Islam; and (iii) punishing Israel, and the United States for its perceived support of Israel. The al Qaida Movement to perpetrate radical Muslim terrorism does not feature a centralized hierarchy, because the lack of a centralized hierarchy is essential to the Enterprise’s clandestine nature and its success. Thus, although al Qaida had its own membership roster and a structure of “committees” to guide and oversee such functions as training terrorists, proposing targets, financing operations, and issuing edicts, the committees were not a hierarchical chain of command but were instead a means for coordinating functions and providing material

support to operations. Suleiman Abdel Aziz Al Rajhi, Saleh Abdulaziz Al-Rajhi, and Abdullah Suleiman Al-Rajhi fit neatly into this framework by providing funding to and otherwise providing material support for the members of the Enterprise who engaged in the Attack.

- (c) no.
 - (d) Suleiman Abdel Aziz Al Rajhi, Saleh Abdulaziz Al-Rajhi, and Abdullah Suleiman Al-Rajhi are associated with the Enterprise.
 - (e) Suleiman Abdel Aziz Al Rajhi, Saleh Abdulaziz Al-Rajhi, and Abdullah Suleiman Al-Rajhi are members of the Enterprise, and are separate and distinct from the Enterprise.
 - (f) Suleiman Abdel Aziz Al Rajhi, Saleh Abdulaziz Al-Rajhi, and Abdullah Suleiman Al-Rajhi intended to further the Attack and adopted the goal of furthering and/or facilitating that criminal endeavor, which criminal activity culminated in the Attack.
- 7. The pattern of racketeering activity conducted by Suleiman Abdel Aziz Al Rajhi, Saleh Abdulaziz Al-Rajhi, and Abdullah Suleiman Al-Rajhi is separate from the existence of the al Qaida Movement to perpetrate radical Muslim terrorism, but was a necessary component to the Attack.
 - 8. The Enterprise conducts terrorism all over the world; the racketeering activity conducted by Suleiman Abdel Aziz Al Rajhi, Saleh Abdulaziz Al-Rajhi, and Abdullah Suleiman Al-Rajhi furthers and facilitates that activity, which activity culminated in the Attack. The usual and daily activities of the Enterprise includes recruitment, indoctrination, and the provisioning and operation of training camps, all of which activities are furthered and facilitated by the racketeering activities described herein.
 - 9. The Enterprise benefits by having funds available to meet its goals of spreading its ideology, suppressing other forms of Islam, and through the gratification of destroying its perceived enemies.
 - 10. The Enterprise, and the racketeering activities conducted by Suleiman Abdel Aziz Al Rajhi, Saleh Abdulaziz Al-Rajhi, and Abdullah Suleiman Al-Rajhi relies heavily on the American interstate system of commerce for banking, supplies, communications, and virtually all its essential commercial functions, and in that manner affects interstate commerce. Additionally, the Attack itself affected commerce. See Rasul v. Bush, 124 S. Ct. 2686, No. 03-334, 2004 U.S. LEXIS 4760, * 8 (stating that the Attack “severely damaged the U.S. economy”).
 - 11. Not applicable.
 - 12. Not applicable.

13. The al Qaida Movement to perpetrate radical Muslim terrorism “employs” certain individuals, only a few of whose identities are known, including defendant Osama bin Ladin.
14. The history of the conspiracy behind the al Qaida Movement to perpetrate radical Muslim terrorism could, and has, filled many books, but for purposes of the present RICO Statement, the following is offered. After being turned out of the Sudan in May 1996, al Qaida established itself in Afghanistan, and relied on well-placed financial facilitators, including Suleiman Abdel Aziz Al Rajhi, Saleh Abdulaziz Al-Rajhi, and Abdullah Suleiman Al-Rajhi, who laundered funds from Islamic so-called charities and corporations and raised money from witting and unwitting donors. They also relied heavily on certain imams at mosques who were willing to divert the *zakat*, the mandatory charitable contributions required of all Muslims. Al Qaida also collected money from employees of corrupted charities.

The funds thus raised were used to, among other things, operate terrorist training camps in Afghanistan, where some recruits were trained in conventional warfare but where the best and most zealous recruits received terrorist training. The curriculum in the camps placed great emphasis on ideological and religious indoctrination. All trainees and other personnel were encouraged to think creatively about ways to commit mass murder.

The camps were able to operate only because of the worldwide network of recruiters, travel facilitators, and document forgers who vetted recruits and helped them get in and out of Afghanistan. From the ranks of these recruits the nineteen perpetrators of the Attack were selected. None of this would have been possible without the funds supplied by participants and conspirators like Suleiman Abdel Aziz Al Rajhi, Saleh Abdulaziz Al-Rajhi, and Abdullah Suleiman Al-Rajhi. Indeed, the Enterprise would not have been successful without the enthusiastic participation of all of the conspirators, including Suleiman Abdel Aziz Al Rajhi, Saleh Abdulaziz Al-Rajhi, and Abdullah Suleiman Al-Rajhi. In order to identify nineteen individuals willing, able and competent to carry out the Attack, al Qaida needed to select from a vast pool of recruits and trainees, which pool would not have been available to it without the assistance provided by Suleiman Abdel Aziz Al Rajhi, Saleh Abdulaziz Al-Rajhi, and Abdullah Suleiman Al-Rajhi. Suleiman Abdel Aziz Al Rajhi, Saleh Abdulaziz Al-Rajhi, and Abdullah Suleiman Al-Rajhi, with knowledge and intent, agreed to the overall objectives of the conspiracy, and agreed to commit at least two predicate acts and all agreed to participate in the conspiracy, either expressly or impliedly. Suleiman Abdel Aziz Al Rajhi, Saleh Abdulaziz Al-Rajhi, and Abdullah Suleiman Al-Rajhi also, with knowledge and intent, agreed to and did aid and abet all of the above illegal activities, RICO predicate acts, and RICO violations.

15. As the subrogees of both individual and property claimants, plaintiffs have been harmed in their business and property through the claims that they have paid out or for which they have reserved.
16. Plaintiffs’ damages -- injuries, the loss of life and property damage that resulted from defendants’ actions -- are direct in that they are not derivative of damage to a third party. Rather the plaintiffs’ insureds’ assignees were the “reasonably foreseeable victims of a

RICO violation” and the “intended victims of the racketeering enterprise,” *i.e.*, terrorism, the culmination of which was the Attack.

17. Each defendant is jointly and severally liable for the damages suffered by each plaintiff, as set forth in Exhibit “B”.

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VIII	RICO, 18 U.S.C. § 1962(c), 1962(d)
X	Anti-Terrorism Act, 18 U.S.C. § 2333

19. pendent state claims:

I	Trespass
II	Wrongful Death
III	Survival
IV	Assault & Battery
V	Intentional and Negligent Infliction of Emotional Distress
VII	Conspiracy
IX	Aiding and Abetting
XI	Negligence
XII	Punitive Damages

20. not applicable

EXHIBIT “A”

RICO STATEMENT

QUESTION # 2

DEFENDANT	MISCONDUCT	BASIS OF LIABILITY
Suleiman Abdel Aziz al Rajhi	<p>Suleiman Abdel Aziz al Rajhi is a Saudi national who has long provided material support and resources to al Qaida. Al Rajhi is Chairman, Managing Director, and the largest shareholder of al Rajhi Banking and Investment Corporation, and the primary financier of the SAAR Foundation and many of the organizations which operated within the SAAR Network of charities and businesses, including but not limited to African Muslim Agency, Grove Corporate, Inc., Heritage Education Trust, International Institute of Islamic Thought, Mar-Jac Investments, Inc., Mena Corporation, Reston Investments, Safa Trust, Sana-Bell, Inc., Sterling Charitable Gift Fund, Sterling Management Group, Inc., and York Foundation. These charities, largely based in Herndon, Virginia, have been used to funnel moneys direct to al Qaida and the Enterprise. Specifically, the SAAR Network Entities funneled billions of dollars of financial sponsorship as well as logistical assistance to al Qaida through a web of interrelated entities, activities and transactions of deliberate complexity, overseen by the leaders of the SAAR Network</p> <p>In addition, Suleiman al Rajhi funneled money through Youssef Nada, a noted terrorist financier, through the banks he controlled in the Bahamas and for which al Rajhi had worked under Nada, as well as Bank al-Taqwa.</p> <p>Persons associated with the SAAR Foundation and its network are also implicated in for the United States Embassy bombings in Kenya</p>	<p>1962(c) 1962(d)</p>

	<p>and Tanzania.</p> <p>Suleiman Al Rajhi also serves on the board of directors of the IIRO, a purported “charitable” organization which has long acted as fully integrated components of al Qaida's logistical and financial support infrastructure, and provided material support and resources to al Qaida and affiliated foreign terrorist organizations.</p> <p>Through his control of al Rajhi Bank, Suleiman Abdel Aziz al Rajhi actively participated in that financial institution’s support and sponsorship of al Qaida. For example, with Suleiman Abdel Aziz al Rajhi’s support and authorization, al Rajhi Bank maintained accounts for many of al Qaida’s charity fronts, including the International Islamic Relief Organization (the “IIRO”), the Muslim World League (the “MWL”), the World Association of Muslim Youth (“WAMY”), Benevolent International Foundation (“BIF”) and Al Haramain Islamic Foundation (“Al Haramain”).</p> <p>Al Rajhi Bank advertised the existence and numerical designation of the accounts it maintained for those charities throughout the Muslim world, and provided mechanism to allow al Qaida’s supporters to deposit funds directly into those accounts. At all times material hereto, Suleiman Abdel Aziz al Rajhi was expressly aware that many of the charities for which al Rajhi Bank provided financial services were conduits for financing al Qaida, and that the Bank was being used as a vehicle for laundering funds on behalf of, and transferring funds to, that terrorist organization.</p> <p>Indeed, as mentioned previously Suleiman Abdel Aziz al Rajhi has served as an officer of the IIRO. Significantly, numerous branches of the IIRO were publicly implicated in al Qaida plots throughout the 1990s, during the time that Suleiman Abdel Aziz al Rajhi was</p>	
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	<p>serving as an officer of the IIRO, and at which time al Rajhi Bank maintained accounts for that ostensible charity. Branch offices of al Haramain Islamic Foundation were similarly implicated in al Qaida plots throughout the 1990s.</p> <p>Suleiman Al Rajhi is identified on the Golden Chain as one of al Qaida's principal financiers. The "Golden Chain" document was discovered during a raid of the Bosnian offices of the Benevolence International Foundation, conducted jointly by the Federal Bureau of Investigation and Bosnian Police. During the course of that raid, the authorities seized several computer hard drives, one of which included a file named "Tareekh Osama" ("Osama's History"), containing scanned images of documents chronicling the formation of al Qaida. The "Golden Chain" document was among several hundred documents contained in this computer file. Based on their analysis of all the documents within that file, and intelligence gathered from other sources during the war on terror, officials of the US government concluded that the document is "a list of people referred to within al Qaida" as wealthy donors to the movement. See Government's Evidentiary Proffer supporting the Admissibility of Co-Conspirator Statements, <u>United States of America v. Enaam Arnaout</u>, No. 02-CR-892 (N.D. Ill. filed Jan.6, 2003). The National Commission On Terrorist Attacks Upon the United States embraced this interpretation of the document in its Final Report. See <u>Final Report of the 9/11 Commission</u>, Note 21 to Chapter 2. The Treasury Department has similarly concluded that the "Golden Chain" is an authentic list of al Qaida's principal individual financiers, and in fact used Adel Batterjee's inclusion in the document as a basis to for designating him as a terrorist sponsors under Executive Order 13224. See December 21, 2004 Treasury Department Press Release Regarding the Designation of Adel Batterjee, available at</p>	
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	<p>http://www.treas.gov/press/releases/js2164.htm</p> <p>Through his business enterprises and involvement in charities operating within al Qaida's infrastructure, Suleiman Abdel Aziz al Rajhi has long provided material support and resources to al Qaida. Al Rajhi has close ties to the Saudi Royal Family. Several members of the Saudi Royal Family are employed by or serve as officers of businesses owned or controlled by al Rajhi. For example, Prince Mohammad bin Nayef bin Abdel Aziz al Saud, the Assistant Deputy Minister of the Interior of Saudi Arabia, serves as the Chairman of Al Rajhi Commercial Foreign Exchange. Abdallah bin Yahya al Muallimi, the Secretary General of the Jeddah Province, serves as board member in the same company. Prince Faisal Ibn Muhamad Ibn Saud is the Chairman of al Rajhi Yamama Cement Company. Prince Turki Ibn Muhamad Ibn Abdul Aziz Ibn Turki is a board member of al Rajhi Yamama Cement Company.</p> <p>Suleiman al Rajhi also managed the National Commercial Bank budget of defendant Saudi Joint Relief Committee (SJRC). In addition, for decades, Rajhi has been involved with the Muslim Brotherhood, a 74-year-old group which is under investigation by European and Middle Eastern governments for its alleged support of radical Islamic and terrorist groups. For decades the Brotherhood has been a wellspring of radical Islamic activity; Hamas, the militant Palestinian group, is an offshoot of it. It is also tied to leading neo-Nazis, including the Swiss Holocaust denier Ahmed Huber.</p> <p>In all these capacities, including his capacity as an officer and/or director of many of the SAAR Network Entities, Suleiman al Rajhi has committed multiple acts of conspiracy to commit murder and arson, money laundering, tax fraud, Travel Act violations, filing a false tax return, and impeding and impairing the collecting of federal taxes, all in furtherance of</p>	
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	the Enterprise's common goals and ultimate plan of launching an attack on America.	
Saleh Abdulaziz Al-Rajhi	<p>Saleh Abdulaziz al-Rajhi, eldest brother of Suleiman, has been Chairman of Al Rajhi Banking and Investment Corporation, and is inextricably tied to the actions of Al Rajhi Banking and Investment Corporation as alleged above and in previous court filings.</p> <p>Furthermore, Saleh Abdulaziz al-Rajhi is personally linked to Wadi el-Hage, Osama bin Laden's personal secretary. (Saleh's phone number found in Wadi's phone book upon his arrest.). Wadi el-Hage was convicted for his role in the 1998 Embassy Bombing in Kenya and Tanzania.</p>	<p>1962(c)</p> <p>1962(d)</p>
Abdullah Suleiman Al-Rajhi	<p>Abdullah Suleiman Al-Rajhi is General Manager of the Al-Rajhi Banking & Investment Corp., and member of its executive committee, and is inextricably tied to the actions of Al Rajhi Banking and Investment Corporation as alleged above and in previous court filings.</p> <p>In addition, he was President of Aradi, Inc., located at the same address as SAAR, 555 Grove Street in Herndon, Virginia. Through Abdullah Suleiman Al-Rajhi, the Safa Group had access to a bank and banking officials for purposes of producing checks purportedly paid for SAAR's charitable purposes but which actually went towards the benefit of the Enterprise.</p>	<p>1962(c)</p> <p>1962(d)</p>

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

In re Terrorist Attacks on September 11, 2001	03 MDL 1570 (RCC) ECF Case AMENDED RICO STATEMENT applicable to ABDUL RAHMAN KHALED BIN MAHFOUZ
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This document relates to:

Federal Insurance Co. v. al Qaida
03 CV 06978 (RCC)

**AMENDED RICO STATEMENT APPLICABLE TO
ABDUL RAHMAN KHALED BIN MAHFOUZ**

Based on information currently available, and pursuant to the Case Management Order dated June 15, 2004, plaintiffs submit this RICO statement for defendant Abdul Rahman Khaled bin Mahfouz.

Given the vastly complicated nature of the conspiracy and other wrongdoing that led to the events of September 11, 2001, much information is presently unavailable to plaintiffs, absent discovery. Plaintiffs therefore reserve the right to amend this RICO statement as information is learned and verified and after discovery is obtained.

1. The unlawful conduct is in violation of 18 U.S.C. § 1962(c) and/or (d).
2. The names of the defendant to whom this RICO statement pertains are Abdul Rahman Khaled bin Mahfouz. The alleged misconduct and basis for liability is set forth in Exhibit "A".
3. Not applicable. All known wrongdoers are named as defendants in this action. Given the vastly complicated nature of the conspiracy and other wrongdoing that led to the events of September 11, 2001, however, much information is unavailable to plaintiffs, and the identities of other wrongdoers may be revealed through discovery. Plaintiffs therefore reserve the right to amend this RICO statement as information is learned and verified and after discovery is obtained.
4. The name of each victim and the manner in which each was injured is indicated on the chart attached hereto as Exhibit "B".
5. (a) list of predicate acts and specific statutes violated:

conspiracy to commit murder	NY CLS Penal § 105.15; NY CLS Penal § 125.25(xi)
conspiracy to commit arson	NY CLS Penal § 105.15; NY CLS Penal § 150.15
fraud with identification documents	18 U.S.C. § 1028
Travel Act	18 U.S.C. § 1952
illegal transactions in monetary instruments	18 U.S.C. § 1956
money laundering	18 U.S.C. § 1957
financial institutions fraud	18 U.S.C. § 1344
mail fraud	18 U.S.C. § 1341
wire fraud	18 U.S.C. § 1343
Providing material support of Terrorism	18 U.S.C. § 2332(b)(g)(5)(B) 18 U.S.C. § 2339A 18 U.S.C. § 2339B 18 U.S.C. § 2339C
Anti-Terrorism Act	18 U.S.C. § 2332b

(b) dates of, the participants in, and a description of the facts surrounding the predicate acts

(c)

DATES	PARTICIPANTS	FACTS
early 1990s to 9/11/2001	Abdul Rahman Khaled bin Mahfouz	Abdul Rahman Khaled bin Mahfouz conspired to support terrorism and to obfuscate the roles of the various participants and conspirators in the al Qaida movement, which conspiracy culminated in the Attack.
early 1990s to 9/11/2001	Abdul Rahman Khaled bin Mahfouz	Abdul Rahman Khaled bin Mahfouz undertook the above-named actions as part of a conspiracy to commit murder and arson, in that he knew that the Enterprise in which he was participating, the al Qaida movement,

		planned to and would commit acts of deadly aggression against the United States in the near future, using the resources and support he supplied.
early 1990s to 9/11/2001	Abdul Rahman Khaled bin Mahfouz	Abdul Rahman Khaled bin Mahfouz agreed to form and associate himself with the Enterprise and agreed to commit more than two predicate acts, <i>i.e.</i> , multiple acts of money laundering, murder and arson, in furtherance of a pattern of racketeering activity in connection with the Enterprise.

(d) not applicable

(e) No.

(f) No.

(g) The predicate acts form a pattern of racketeering in that they are continuous, and are a part of the Enterprise's regular way of doing business. Other of the defendants consistently, evenly constantly, laundered money, filed false tax returns, and otherwise impeded and impaired the administration of the tax laws as part of their scheme to conduit money to terrorists, and obfuscate their support of the al Qaida movement.

(h) The predicate acts relate to each other (horizontal relatedness) as part of a common plan because each act of money laundering, technical support and tax evasion allowed certain of the defendants to surreptitiously provide funds to terrorist organizations, including al Qaida, which conspiracy culminated in the Attack.

6.

(a) The enterprise (the "Enterprise" or "the al Qaida movement") is comprised of the defendants named in the First Amended Complaint, and is a collection of persons, organizations, businesses, and nations associated in fact.

(b) The Enterprise has its origins in the defeat of the Soviets in Afghanistan in the late 1980s, when Osama Bin Laden ("Bin Laden") formed an organization called "The Foundation" or "al Qaida." Al Qaida was intended to serve as a foundation upon which to build a global Islamic army. The structure of the Enterprise is an association in fact with common and complex goals that consist of far more than the mere desire to perpetrate the acts of racketeering outlined herein. Rather, the Enterprise utilizes acts of racketeering to further its overall common purposes of: (i) spreading a particularly virulent brand of radical, conservative Islam; (ii) eliminating Western influences in Islamic countries; and (iii) punishing Israel, and the United States for its perceived support of Israel. The al Qaida movement does not feature a centralized hierarchy, because the lack of a centralized hierarchy is essential to the Enterprise's clandestine nature and its success. Thus, although al Qaida had its own membership

- roster and a structure of “committees” to guide and oversee such functions as training terrorists, proposing targets, financing operations, and issuing edicts, the committees were not a hierarchical chain of command but were instead a means for coordinating functions and providing material support to operations. Abdul Rahman Khaled bin Mahfouz fit neatly into this framework by raising and providing funds for and otherwise providing material support for al Qaida and the members of the Enterprise who planned, coordinated and carried out the Attack.
- (c) No.
 - (d) Abdul Rahman Khaled bin Mahfouz is associated with the Enterprise.
 - (e) Abdul Rahman Khaled bin Mahfouz is a member of the Enterprise, and are separate and distinct from the Enterprise.
 - (f) Abdul Rahman Khaled bin Mahfouz intended to further the Attack and adopted the goal of furthering and/or facilitating that criminal endeavor, which criminal activity culminated in the Attack.
7. The pattern of racketeering activity conducted by Abdul Rahman Khaled bin Mahfouz is separate from the existence of the al Qaida movement, but was a necessary component to the Attack.
 8. The Enterprise conducts terrorism all over the world; the racketeering activity conducted by Abdul Rahman Khaled bin Mahfouz furthers and facilitates that activity, which activity culminated in the Attack. The usual and daily activities of the Enterprise includes recruitment, indoctrination, and the provisioning and operation of training camps, all of which activities are furthered and facilitated by the racketeering activities described herein.
 9. The Enterprise benefits by spreading its ideology, by suppressing other forms of Islam, and through the gratification of destroying its perceived enemies.
 10. The Enterprise, and the racketeering activities conducted by Abdul Rahman Khaled bin Mahfouz, relies heavily on the American interstate system of commerce for banking, supplies, communications, and virtually all its essential commercial functions, and in that manner affects interstate commerce. Additionally, the Attack itself affected commerce. See Rasul v. Bush, 124 S. Ct. 2686, No. 03-334, 2004 U.S. LEXIS 4760, * 8 (stating that the Attack “severely damaged the U.S. economy”).
 11. Not applicable.
 12. Not applicable.
 13. The al Qaida movement “employs” certain individuals, only a few of whose identities are known, including defendant Osama bin Laden.

14. The history of the conspiracy behind the al Qaida movement could, and has, filled many books, but for purposes of the present RICO Statement, the following is offered. From its inception, al Qaida has relied on well-placed financial facilitators and logistical sponsors, including Abdul Rahman Khaled bin Mahfouz, to raise, manage and distribute money and resources for the Enterprise under the guise of legitimate banking business activity. Al Qaida also relied heavily on certain imams at mosques who were willing to divert the *zakat*, the mandatory charitable contributions required of all Muslims.

The funds thus raised were used to, among other things, operate terrorist training camps in the Sudan, Afghanistan and elsewhere, where some recruits were trained in conventional warfare but where the best and most zealous recruits received terrorist training. The curriculum in the camps placed great emphasis on ideological and religious indoctrination. All trainees and other personnel were encouraged to think creatively about ways to commit mass murder.

The camps were able to operate only because of the worldwide network of fundraisers, recruiters, travel facilitators, and document forgers who vetted recruits and helped them get in and out of Afghanistan and the other countries where al Qaida maintained an operational presence. From the ranks of these recruits the nineteen perpetrators of the Attack were selected. None of this would have been possible without the funds and other support supplied by participants and conspirators like Abdul Rahman Khaled bin Mahfouz. Indeed, the Enterprise would not have been successful without the enthusiastic participation of all of the conspirators, including Abdul Rahman Khaled bin Mahfouz. In order to identify nineteen individuals willing, able and competent to carry out the Attack, al Qaida needed to select from a vast pool of recruits and trainees, which pool would not have been available to it without the assistance provided by Abdul Rahman Khaled bin Mahfouz. These participants, with knowledge and intent, agreed to the overall objectives of the conspiracy, and agreed to commit at least two predicate acts and agreed to participate in the conspiracy, either expressly or impliedly. Abdul Rahman Khaled bin Mahfouz also, with knowledge and intent, agreed to and did aid and abet all of the above illegal activities, RICO predicate acts, and RICO violations.

15. As the subrogees of both individual and property claimants, plaintiffs have been harmed in their business and property through the claims that they have paid out or for which they have reserved.
16. Plaintiffs' damages -- injuries, the loss of life and property damage that resulted from defendants' actions -- are direct in that they are not derivative of damage to a third party. Rather the plaintiffs' insureds' assignees were the "reasonably foreseeable victims of a RICO violation" and the "intended victims of the racketeering enterprise," *i.e.*, terrorism, the culmination of which was the Attack.
17. Each defendant is jointly and severally liable for the damages suffered by each plaintiff, as set forth in Exhibit "C".

18.

VI	Torture Victim Protection Act,
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	28 U.S.C. § 1350
VIII	RICO, 18 U.S.C. § 1962(c), 1962(d)
X	Anti-Terrorism Act, 18 U.S.C. § 2333

19. pendent state claims:

I	Trespass
II	Wrongful Death
III	Survival
IV	Assault & Battery
V	Intentional and Negligent Infliction of Emotional Distress
VII	Conspiracy
IX	Aiding and Abetting
XI	Negligence
XII	Punitive Damages

20. Not applicable

EXHIBIT “A”

RICO STATEMENT

QUESTION # 2

DEFENDANT	MISCONDUCT	BASIS OF LIABILITY
Abdul Rahman Khaled bin Mahfouz	<p>Abdul Rahman Khaled Bin Mahfouz has provided critical financial and logistical support to al Qaida in relation to that terrorist organization’s global jihad.</p> <p>For a period of many years, bin Mahfouz served as an officer and director of the Blessed Relief Foundation, an ostensible charity also known as the Muwafaq Foundation. Blessed Relief was founded and endowed jointly by Yassin al Kadi and Khalid bin Mahfouz, Abdul Rahman Khaled Bin Mahfouz’s father. At the time they established the Blessed Relief Foundation, Yassin al Kadi and Khalid bin Mahfouz intended for it to serve as a vehicle for funding and otherwise supporting terrorist organizations, including al Qaida. They personally chose Abdul Rahman Khaled Bin Mahfouz to serve as its director and entrusted him with the responsibility of realizing their objective of using the organization as a covert vehicle for supporting the al Qaida movement and other terrorists.</p> <p>On October 12, 2001, the United States government designated Yasin al-Qadi under Executive Order 13224, based on his and Blessed Relief’s longstanding and integral role in advancing the al-Qaida movement.</p> <p>In a November 29, 2001 letter to Swiss authorities requesting that the Swiss government block al Kadi’s assets, a copy of which is attached hereto as Exhibit C and incorporated herein by reference, Treasury Department General Counsel David Aufhauser</p>	1962(a), 1962(c), 1962(d)

	<p>summarized the Blessed Relief Foundation's pervasive sponsorship of al Qaida as follows:</p> <p>The leader of the terrorist organization Al Gama'at Al Islamiya, Talad Fuad Kassem, has said that the Muwafaq Foundation provided logistical and financial support for a mujahadin battalion in Bosnia. The foundation also operated in. Sudan, Somalia and Pakistan, among other places.</p> <p>A number of individuals employed by or otherwise associated with the Muwafaq Foundation have connections to various terrorist organizations. Muhammad Ali Harrath, main activist of the Tunisian Islamic Front (TIF) in the United Kingdom, was associated with Muwafaq personnel in Bosnia and other TIF members worked at the Muwafaq Foundation. Syrian citizen Mahmoud Mehdi, once a director of the Muwafaq Foundation in Pakistan, was a member of Al-Qa'ida and the Al Faran terrorist group responsible for the kidnapping of Westerners in Kashmir. He was also close to Ramzi Yusif who has been convicted in the United States for his role in the first World Trade Center attack. Following the arrest of Ramzi Yusif in 1995, the Pakistani police reportedly raided Muwafaq's offices and held its local director in custody for several months. The Muwafaq Foundation also provided support to HAMAS and the Abu Sayyaf Organization in the Philippines.</p> <p>The Muwafaq Foundation also employed or served as cover for Islamic extremists connected with the military activities of Makhtab Al-</p>	
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	<p>Khidamat (MK), which has been partially financed by the Muwafaq Foundation. The Muwafaq Foundation supplied identity cards and employment as cover for some Arabs to allow them, to obtain visas to remain in Pakistan. The founder of MK was Abdallah Azzam, who was Usama bin Laden's mentor. Following the dissolution of MK in early June 2001 and its absorption into Al-Qa'ida, a number of NGOs formerly associated with MK, including Muwafaq also merged with Al-Qa'ida.</p> <p>Mr. Kadi has asserted in various press interviews that the Muwafaq Foundation ceased operations at a range of different times in 1995, 1996 or 1997. However, the United Nations reported that Muwafaq was active in Sudan as late as 1997. Moreover, far from ceasing operations, the U.N. report stated that the "Muwafaq Foundation plans to <i>continue to expand</i> its humanitarian activities in the coming year...." U.N. Department of Humanitarian Affairs, <i>Consolidated Inter-Agency, Appeal for Sudan January-December 1997</i> (Feb. 18, 1997)(emphasis added).</p> <p>From 1993, the head of the European offices of the Muwafaq Foundation was Ayadi Chafiq Bin Muhammad, who has been identified as Mr. Kadi's closest associate. Ayadi Chafiq fought in Afghanistan in the 1980s and is known to be associated with the Tunisian Islamic Front (TIF) in Algeria and Nabil Ben Mohammad Salah Maklout, its leader. Mr. Chafiq was expelled from Tunisia because of his membership in the TIF. As of</p>	
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	<p>February 1999, Mr. Chafiq was running Mr. Kadi's European network and serving as the president of Depositna Banka in Sarajevo, Bosnia, which was owned by Mr. Kadi. Mr. Chafiq may have participated in planning an attack on a U.S. facility in Saudi Arabia. Mr. Chafiq left his residence in London in a hurry after the September 11 attacks, and had reportedly been in the United States in the months preceding the attack</p> <p>The pattern of activity displayed by Mr. Kadi, and his foundation and businesses, is typical of the financial support network of Al Qa'ida and other terrorist organizations. Working in troubled areas such as Bosnia, Somalia, Sudan, and various refugee camps, the putative "relief" organizations provide cover for individuals engaged in recruiting, organizing, and training terrorist cells. Their provision of humanitarian aid and educational services is done in concert with the terrorist to win the hearts and minds of the local people to whatever causes the terrorists espouse. When a region becomes more settled, such as Bosnia or Albania today, seemingly legitimate businesses replace charitable foundations as cover for continuing terrorist organizational activity. Mr. Kadi's actions and those of his Muwafaq Foundation and businesses fit this pattern and give rise to a reasonable basis to believe that they have facilitated terrorist activities.</p> <p>In his capacity as an officer and director of the Blessed Relief Foundation, bin Mahfouz knowingly and actively participated in that organization's continuous efforts to advance al</p>	
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	<p>Qaida's terrorist ambitions, and used his position within the organization to ensure that it served as an effective mechanism for raising and laundering funds for, and providing other forms of material support to, al Qaida. By virtue of his active role in the Blessed Relief Foundation's wrongdoing, bin Mahfouz is personally responsible for the resulting harm.</p>	
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EXHIBIT C



DEPARTMENT OF THE TREASURY
WASHINGTON

GENERAL COUNSEL

November 29, 2001

M. Claude Nicati
Substitut du Procureur General
Taubenstrasse 16
3003 Berne
SWITZERLAND

Re: Yassin A. Kadi

Dear Mr. Nicati:

This letter is provided to you pursuant to your request under the mutual legal assistance treaty between the United States and Switzerland in connection with the action taken by the Government of Switzerland to block assets of Yassin A. Kadi (aka Qadi or Qadhi). Although some of the information concerning Mr. Kadi comes from sensitive sources that we cannot disclose, we have agreed to provide you with an unclassified summary of certain information concerning Mr. Kadi. We believe that this information is generally reliable and, taken as a whole, supports the decision to block Mr. Kadi's assets. This summary may be disclosed publicly in legal proceedings.

Based upon information available to the United States Government, we have a reasonable basis to believe that Mr. Kadi has a long history of financing and facilitating the activities of terrorists and terrorist-related organizations, often acting through seemingly legitimate charitable enterprises and businesses.

In 1991, Mr. Kadi wired \$820,000 to a business in the United States. This money was laundered through a complex land transaction in Illinois, apparently to hide any connection to Mr. Kadi and the eventual transfer of the funds to the Quranic Literacy Institute (QLI). Some of the proceeds of this transaction were used by QLI to finance the activities of Mohammed Salah (alias Abu Ahmed),¹ an admitted head of the military wing of the terrorist organization HAMAS.² Subsequently, Mr. Kadi wired \$27,000 *directly* to Mr. Salah's account in March

¹ Mr. Salah is a "Specially Designated Terrorist" (STD) under United States Executive Order No. 12947, 60 Fed. Reg. 5079 (1995) (E.O. 12947). See Notice of Blocking, 60 Fed. Reg. 41152 (1995).

² HAMAS has been designated a "Foreign Terrorist Organization" pursuant to the Anti-Terrorism and Effective Death Penalty Act of 1996, Pub. L. 104-132, 110 Stat. 1214 (1996) and an SDT under E.O. 12947, see 31 C.F.R. Ch. V, App. A, and a "Specially Designated Global Terrorist" (SDGT) under United States Executive Order No. 13224, 66 Fed. Reg. 49079 (2001) (E.O. 13224).

1992. This wire, from Faisal Finance account number IFA 10004, came directly from an account that is the subject of the Swiss sequestration order covering Mr. Kadi's accounts. There were additional wires from Faisal Finance to Mr. Salah's account, but our information on those transfers is still incomplete. Similarly, we are still investigating other Faisal Finance transfers, one for \$200,000 and another for \$665,000, all or a substantial portion of which were sent to Mr. Salah through an account controlled by another HAMAS operative, Abu Marzook.³

At the direction of Abu Marzook, Mr. Salah distributed tens of thousands of dollars, and perhaps more, to HAMAS cells in and around Israel. Mr. Salah was arrested in Israel in 1993 carrying nearly \$100,000 in cash and extensive notes of his meetings with HAMAS operatives during the days preceding his arrest. Analysis of the monetary transfers involved in the Illinois land transaction, and of wires into Mr. Salah's accounts prior to leaving for Israel, show a close connection between the funds involved in the transactions and those distributed by Mr. Salah to terrorist cells.⁴

In recent press interviews, Mr. Kadi has denied any wrongdoing in connection with these money transfers. He says that the loan on the Illinois property was intended to help the QLI "open a peaceful dialogue between nations," but he has neither explained the convoluted nature of the transaction nor made any claim for repayment of the "loan." He claims not to recall ever having met Mr. Salah, although Mr. Salah's lawyer states that Mr. Salah did meet with Mr. Kadi, that Mr. Kadi befriended him, and that he gave the \$27,000 to Mr. Salah to open a bank account in Chicago.

Mr. Kadi has acknowledged in a number of press accounts that he is the founder of the Muwafaq, or "Blessed Relief," Foundation. He is identified in legal records as "Chairman" of the foundation. The leader of the terrorist organization Al-Gama'at Al-Islamiya,⁵ Talad Fuad Kassem, has said that the Muwafaq Foundation provided logistical and financial support for a mujahadin battalion in Bosnia. The foundation also operated in Sudan, Somalia and Pakistan, among other places.

A number of individuals employed by or otherwise associated with the Muwafaq Foundation have connections to various terrorist organizations. Muhammad Ali Harrath, main activist of the Tunisian Islamic Front (TIF) in the United Kingdom, was associated with Muwafaq personnel in Bosnia and other TIF members worked at the Muwafaq Foundation. Syrian citizen Mahmoud Mehdi, once a director of the Muwafaq Foundation in Pakistan, was a member of Al-Qa'ida and the Al-Faran terrorist group⁶ responsible for the kidnapping of

³ Mr. Marzook has been designated a SDT under E.O. 12947. See 31 C.F.R. Ch. V, App. A.

⁴ A detailed account of Mr. Salah's activities, which included the recruitment and funding of HAMAS terrorists, can be found in the affidavit of FBI Special Agent Robert Wright (previously provided to you) and in *In re Extradition of Marzook*, 924 F. Supp. 565, 587-92 (S.D.N.Y. 1996).

⁵ Al-Gama'at Al-Islamiya has been designated a "Foreign Terrorist Organization" pursuant to the Anti-Terrorism and Effective Death Penalty Act of 1996. See 31 C.F.R. Ch. V, App. A.

⁶ Al-Faran is a "Specially Designated Global Terrorist Entity" under E.O. 13224.

Westerners in Kashmir. He was also close to Ramzi Yusif who has been convicted in the United States for his role in the first World Trade Center attack. Following the arrest of Ramzi Yusif in 1995, the Pakistani police reportedly raided Muwafaq's offices and held its local director in custody for several months. The Muwafaq Foundation also provided support to HAMAS and the Abu Sayyaf Organization⁷ in the Philippines.

The Muwafaq Foundation also employed or served as cover for Islamic extremists connected with the military activities of Makhtab Al-Khidamat (MK),⁸ which has been partially financed by the Muwafaq Foundation. The Muwafaq Foundation supplied identity cards and employment as cover for some Arabs to allow them to obtain visas to remain in Pakistan. The founder of MK was Abdallah Azzam, who was Usama bin Laden's mentor. Following the dissolution of MK in early June 2001 and its absorption into Al-Qa'ida, a number of NGOs formerly associated with MK, including Muwafaq, also merged with Al-Qa'ida.

Mr. Kadi has asserted in various press interviews that the Muwafaq Foundation ceased operations at a range of different times in 1995, 1996 or 1997. However, the United Nations reported that Muwafaq was active in Sudan as late as 1997. Moreover, far from ceasing operations, the U.N. report stated that the "Muwafaq Foundation plans to *continue to expand* its humanitarian activities in the coming year . . ." U.N. Department of Humanitarian Affairs, *Consolidated Inter-Agency Appeal for Sudan January-December 1997* (Feb. 18, 1997)(emphasis added).

From 1993, the head of the European offices of the Muwafaq Foundation was Ayadi Chafiq Bin Muhammad, who has been identified as Mr. Kadi's closest associate.⁹ Ayadi Chafiq fought in Afghanistan in the 1980s and is known to be associated with the Tunisian Islamic Front (TIF) in Algeria and Nabil Ben Mohammad Salah Maklout, its leader. Mr. Chafiq was expelled from Tunisia because of his membership in the TIF. As of February 1999, Mr. Chafiq was running Mr. Kadi's European network and serving as the president of Depositna Banka in Sarajevo, Bosnia, which was owned by Mr. Kadi. Mr. Chafiq may have participated in planning an attack on a U.S. facility in Saudi Arabia. Mr. Chafiq left his residence in London in a hurry after the September 11 attacks, and had reportedly been in the United States in the months preceding the attack.

The pattern of activity displayed by Mr. Kadi, and his foundation and businesses, is typical of the financial support network of Al Qa'ida and other terrorist organizations. Working in troubled areas such as Bosnia, Somalia, Sudan, and various refugee camps, the putative "relief" organizations provide cover for individuals engaged in recruiting, organizing, and

⁷ The Abu Sayyaf Organization is a "Specially Designated Global Terrorist Entity" under E.O. 13224.

⁸ MK is a "Specially Designated Global Terrorist Entity" under E.O. 13224.


⁹ Ayadi Chafiq is a "Specially Designated Global Terrorist Individual" under E.O. 13224. See Amendment of Final Rule, 66 Fed. Reg. 54404 (2001). He also is listed as one of the signatories on Swiss accounts at Faisal Financial with Kadi.

M. Claude Nicati
November 29, 2001
Page 4

training terrorist cells. Their provision of humanitarian aid and educational services is done in concert with the terrorists to win the hearts and minds of the local people to whatever causes the terrorists espouse. When a region becomes more settled, such as Bosnia or Albania today, seemingly legitimate businesses replace charitable foundations as cover for continuing terrorist organizational activity. Mr. Kadi's actions and those of his Muwafaq Foundation and businesses fit this pattern and give rise to a reasonable basis to believe that they have facilitated terrorist activities.

As noted previously, this is a summary of information concerning Mr. Kadi that we can release at this time. If we are able to release additional information in the future we will let you know.

Sincerely,



David D. Aufhauser
General Counsel

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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

In re Terrorist Attacks on September 11, 2001	03 MDL 1570 (RCC) ECF Case RICO STATEMENT applicable to Khalid Bin Mahfouz
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This document relates to:

*Federal Insurance Co. v. al Qaida
03 CV 06978 (RCC)*

**RICO STATEMENT
APPLICABLE TO KHALID BIN MAHFOUZ**

Based on information currently available, and pursuant to the Case Management Order dated June 15, 2004, plaintiffs submit this RICO statement for defendant Khalid Bin Mahfouz.

Given the vastly complicated nature of the conspiracy and other wrongdoing that led to the events of September 11, 2001, much information is presently unavailable to plaintiffs, absent discovery. Plaintiffs therefore reserve the right to amend this RICO statement as information is learned and verified and after discovery is obtained.

1. The unlawful conduct is in violation of 18 U.S.C. § 1962(c) and/or (d).
2. The name of the defendant to whom this RICO statement pertains is Khalid Bin Mahfouz. The alleged misconduct and basis for liability is set forth in Exhibit "A".
3. Not applicable. All known wrongdoers are named as defendants in this action. Given the vastly complicated nature of the conspiracy and other wrongdoing that led to the events of September 11, 2001, however, much information is unavailable to plaintiffs, and the identities of other wrongdoers may be revealed through discovery. Plaintiffs therefore reserve the right to amend this RICO statement as information is learned and verified and after discovery is obtained.
4. The name of each victim and the manner in which each was injured is indicated on the chart attached hereto as Exhibit "B".
5. (a) list of predicate acts and specific statutes violated:

conspiracy to commit murder	NY CLS Penal § 105.15; NY CLS Penal § 125.25(xi)
conspiracy to commit arson	NY CLS Penal § 105.15; NY CLS Penal § 150.15
Travel Act	18 U.S.C. § 1952
illegal transactions in monetary instruments	18 U.S.C. § 1956
money laundering	18 U.S.C. § 1957
mail fraud	18 U.S.C. § 1341
wire fraud	18 U.S.C. § 1343
financial institutions fraud	18 U.S.C. § 1344
relating to unlawful procurement of citizenship or naturalization papers	18 U.S.C. § 1425
relating to the unlawful reproduction of naturalization or citizenship papers	18 U.S.C. § 1426
relating to the sale of naturalization or citizenship papers	18 U.S.C. § 1427
obstruction of justice	18 U.S.C. § 1503
obstruction of a criminal investigation	18 U.S.C. § 1510
obstruction of state or local law enforcement	18 U.S.C. § 1511
Travel Act	18 U.S.C. § 1952
fraud or misuse of visa permits or other documents	18 U.S.C. § 1546
illegal transactions in monetary instruments	18 U.S.C. § 1956
Anti-terrorism Act	18 U.S.C. 2332(b)
defrauding the US Government	18 U.S.C. § 371

filing false or materially false tax returns	26 U.S.C. § 7206(1), (2)
engaging in a corrupt endeavor to impede and impair the due administration of the internal revenue laws	26 U.S.C. § 7212(a)

(b) dates of, the participants in, and a description of the facts surrounding the predicate acts

DATES	PARTICIPANTS	FACTS
early 1990s to 9/11/2001	Khalid Bin Mahfouz ("Bin Mahfouz")	Bin Mahfouz conspired to support terrorism and to obfuscate the roles of the various participants and conspirators in the al Qaida movement, which conspiracy culminated in the Attack.
early 1990s to 9/11/2001	Bin Mahfouz	Bin Mahfouz undertook the above-named actions as part of a conspiracy to commit murder and arson, in that it knew that the Enterprise in which it was participating, the al Qaida movement, planned to and would commit an act of deadly aggression against the United States in the near future, using the resources and support it supplied.
early 1990s to 9/11/2001	Bin Mahfouz	Bin Mahfouz agreed to form and associate itself with the Enterprise and agreed to commit more than two predicate acts, <i>i.e.</i> , multiple acts of money laundering, murder and arson, in furtherance of a pattern of racketeering activity in connection with the Enterprise.

(c) not applicable

(d) No.

(e) No.

(f) The predicate acts form a pattern of racketeering in that they are continuous, and are a part of the Enterprise's regular way of doing business. Other of the defendants consistently, evenly constantly, laundered money, filed false tax returns, and otherwise impeded and impaired the administration of the tax laws as part of their

scheme to conduit money to terrorists, and yet obfuscate their support of the al Qaida movement.

- (g) The predicate acts relate to each other (horizontal relatedness) as part of a common plan because each act of money laundering and tax evasion allowed certain of the defendants to surreptitiously provide funds to terrorist organizations, including al Qaida, which conspiracy culminated in the Attack.

6.

- (a) The enterprise (the "Enterprise" or "the al Qaida movement") is comprised of the defendants named in the First Amended Complaint, and is a collection of persons, organizations, businesses, and nations associated in fact.

- (b) The Enterprise has its origins in the defeat of the Soviets in Afghanistan in the late 1980s, when Osama Bin Ladin ("Bin Ladin") formed an organization called "The Foundation" or "al Qaida." Al Qaida was intended to serve as a foundation upon which to build a global Islamic army. The structure of the Enterprise is an association in fact with common and complex goals that consist of far more than the mere desire to perpetrate the acts of racketeering outlined herein. Rather, the Enterprise utilizes acts of racketeering to further its overall common purposes of: (i) spreading a particularly virulent brand of radical, conservative Islam; (ii) eliminating Western influences in Islamic countries, including Western influences that are perceived to keep in power repressive Saudi American regimes that are not true to Islam; and (iii) punishing Israel, and the United States for its perceived support of Israel. The al Qaida movement does not feature a centralized hierarchy, because the lack of a centralized hierarchy is essential to the Enterprise's clandestine nature and its success. Thus, although al Qaida had its own membership roster and a structure of "committees" to guide and oversee such functions as training terrorists, proposing targets, financing operations, and issuing edicts, the committees were not a hierarchical chain of command but were instead a means for coordinating functions and providing material support to operations. Khalid Bin Mahfouz fit neatly into this framework by raising funds for, providing funding and money laundering services to, and otherwise providing material support for al Qaida and the members of the Enterprise who planned, coordinated and carried out the Attack.

- (c) No.
- (d) Khalid Bin Mahfouz is associated with the Enterprise.
- (e) Khalid Bin Mahfouz is a member of the Enterprise, and is separate and distinct from the Enterprise.
- (f) Khalid Bin Mahfouz intended to further the Attack and adopted the goal of furthering and/or facilitating that criminal endeavor, which criminal activity culminated in the Attack.

7. The pattern of racketeering activity conducted by Khalid Bin Mahfouz is separate from the existence of the al Qaida movement, but was a necessary component to the Attack.

8. The Enterprise conducts terrorism all over the world; the racketeering activity conducted by Khalid Bin Mahfouz furthers and facilitates that activity, which activity culminated in the Attack. The usual and daily activities of the Enterprise includes recruitment, indoctrination, and the provisioning and operation of training camps, all of which activities are furthered and facilitated by the racketeering activities described herein.
9. The Enterprise benefits by spreading its ideology, by suppressing other forms of Islam, and through the gratification of destroying its perceived enemies.
10. The Enterprise, and the racketeering activities conducted by Khalid Bin Mahfouz, relies heavily on the American interstate system of commerce for banking, supplies, communications, and virtually all its essential commercial functions, and in that manner affects interstate commerce. Additionally, the Attack itself affected commerce. See Rasul v. Bush, 124 S. Ct. 2686, No. 03-334, 2004 U.S. LEXIS 4760, * 8 (stating that the Attack “severely damaged the U.S. economy”).
11. Not applicable.
12. Not applicable.
13. The al Qaida movement “employs” certain individuals, only a few of whose identities are known, including defendant Osama bin Ladin.
14. The history of the conspiracy behind the al Qaida movement could, and has, filled many books, but for purposes of the present RICO Statement, the following is offered. From its inception, al Qaida has relied on well-placed financial facilitators, including Khalid Bin Mahfouz, who laundered funds through Islamic so-called charities, such as the Blessed Relief Foundation, and corporations and raised money from witting and unwitting donors. Al Qaida also relied heavily on certain imams at mosques who were willing to divert the *zakat*, the mandatory charitable contributions required of all Muslims.

The funds thus raised were used to, among other things, operate terrorist training camps in Afghanistan, where some recruits were trained in conventional warfare but where the best and most zealous recruits received terrorist training. The curriculum in the camps placed great emphasis on ideological and religious indoctrination. All trainees and other personnel were encouraged to think creatively about ways to commit mass murder.

The camps were able to operate only because of the worldwide network of fundraisers, recruiters, travel facilitators, and document forgers who vetted recruits and helped them get in and out of Afghanistan and the other countries where al Qaida maintained an operational presence. From the ranks of these recruits the nineteen perpetrators of the Attack were selected. None of this would have been possible without the funds and other support supplied by participants and conspirators like Khalid Bin Mahfouz. Indeed, the Enterprise would not have been successful without the enthusiastic participation of all of the conspirators, including Khalid Bin Mahfouz. In order to identify nineteen individuals willing, able and competent to carry out the Attack, al Qaida needed to select from a vast pool of recruits and trainees, which pool would not have been available to it without the assistance provided by Khalid Bin Mahfouz. Khalid Bin Mahfouz, with knowledge and

intent, agreed to the overall objectives of the conspiracy, and agreed to commit at least two predicate acts and all agreed to participate in the conspiracy, either expressly or impliedly. Khalid Bin Mahfouz also, with knowledge and intent, agreed to and did aid and abet all of the above illegal activities, RICO predicate acts, and RICO violations.

15. As the subrogees of both individual and property claimants, plaintiffs have been harmed in their business and property through the claims that they have paid out or for which they have reserved.
16. Plaintiffs' damages -- injuries, the loss of life and property damage that resulted from defendants' actions -- are direct in that they are not derivative of damage to a third party. Rather the plaintiffs' insureds' assignees were the "reasonably foreseeable victims of a RICO violation" and the "intended victims of the racketeering enterprise," *i.e.*, terrorism, the culmination of which was the Attack.
17. Each defendant is jointly and severally liable for the damages suffered by each plaintiff, as set forth in Exhibit "C".

18.

VI	Torture Victim Protection Act, 28 U.S.C. § 1350
VIII	RICO, 18 U.S.C. § 1962(c), 1962(d)
X	Anti-Terrorism Act, 18 U.S.C. § 2333

19. pendent state claims:

I	Trespass
II	Wrongful Death
III	Survival
IV	Assault & Battery
V	Intentional and Negligent Infliction of Emotional Distress
VII	Conspiracy
IX	Aiding and Abetting
XI	Negligence
XII	Punitive Damages

20. not applicable

EXHIBIT "A"

RICO STATEMENT

QUESTION # 2

DEFENDANT	MISCONDUCT	BASIS OF LIABILITY
Khalid Bin Mahfouz ("Bin Mahfouz")	<p>Khalid Bin Mahfouz has provided critical financial and logistical support to al Qaida in relation to that terrorist organization's global jihad. Bin Mahfouz is among al Qaida's most significant individual financiers. In addition, he has directly participated in the channeling of financial and logistical support to al Qaida through entities under his control, including National Commercial Bank and Muwafaq Foundation.</p> <p>Between 1986 and 1990, bin Mahfouz was Chief Operating Officer of the Bank of Credit and Commerce International (BCCI), and one of that bank's principal shareholders. Established in the 1970s as a front to launder heroin money in Pakistan, the "Bank of Crooks and Criminals" (as referred to by the CIA) rapidly spread to become a vast fraudulent empire.</p> <p>Under bin Mahfouz, BCCI actively participated in a variety of criminal endeavors, including the sponsorship of terrorism, as reported by the United States Senate. In particular, investigations by the CIA and U.S. Senate directly implicated BCCI in the laundering of drug money, manipulation of financial markets, arms trafficking, and in handling the finances of Sabri al-Bannah or Abu Nidal, and his terrorist organization.</p> <p>The 1992 US Senate Report on the BCCI Affair also linked the bank to financial funding of the Afghan war:</p>	1962(c) 1962(d)

	<p>BCCI may have been moving money through the National Bank of Oman to fund the war in Afghanistan. The bank's role began to surface in the mid-1980's (...). This was confirmed in the Wall Street Journal of 23 October 1991 which quotes a member of the late General Zia's cabinet as saying 'It was Arab money that was pouring through BCCI. The Bank which carried the money on from Oman to Pakistan and into Afghanistan was National Bank of Oman, where BCCI owned 29%.</p> <p>According to the Senate Report, BCCI's support of terrorism and arms trafficking developed out of several factors.</p> <p>First, as a principal financial institution for a number of Gulf sheikhdoms, with branches all over the world, it was a logical choice for terrorist organizations, who received payment at BCCI-London and other branches directly from Gulf-state patrons, and then transferred those funds wherever they wished without apparent scrutiny. Secondly, BCCI's flexibility regarding the falsification of documentation was helpful for such activities. Finally, to the extent that pragmatic considerations were not sufficient of themselves to recommend BCCI, the bank's pan-third world and pro-Islam ideology would have recommended it to Arab terrorist groups.</p> <p>On July 1, 1992 bin Mahfouz was indicted in New York for his role in BCCI's criminal activities. The indictment alleged a series of misrepresentations, sham loans, and fraudulent conduct by bin Mahfouz. Bin Mahfouz paid over \$200 million in fines to avoid further prosecution.</p> <p>National Commercial Bank: The Saudi National Commercial Bank (NCB) was founded in 1950 by Salim bin Mahfouz, Khalid's father. After Salim's death in 1986, Khalid became President and CEO, and its principal shareholder with control over more than 50% of the banks capital. NCB has several wholly-owned subsidiaries, including SNCB Corporate Finance Ltd. in London,</p>	
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	<p>SNCB Securities Ltd. in London, and SNCB Securities Ltd. in New York City.</p> <p>NCB was directly involved between 1986 and 1990 in the fraudulent schemes and practices of BCCI.</p> <p>While under bin Mahfouz's control, NCB served as a primary vehicle for channeling financial support to Osama bin Laden and al Qaida. In this regard, former CIA Chief of Counter-terrorism Vincent Cannistraro testified as follows during a congressional hearing in October 2001:</p> <p style="padding-left: 40px;">How does the al-Qaeda organization fund its worldwide network of cells and affiliated groups? Several businessmen in Saudi Arabia and in the Gulf contribute monies. Many of these contributions are given out of a sense of Islamic solidarity. But much of the money is paid as "protection" to avoid having the enterprises run by these men attacked. There is little doubt that a financial conduit to Bin Laden was handled through the National Commercial Bank, until the Saudi government finally arrested a number of persons and closed down the channel. It was evident that several wealthy Saudis were funneling contributions to Bin Laden through this mechanism.</p> <p>A bank audit conducted in 1998 revealed that over a 10 year period \$74 million was funneled by NCB's Zakat Committee to the International Islamic Relief Organization (IIRO), with the knowledge and intent that certain of those funds would be channeled to al Qaida. NCB also actively facilitated the transfer of funds to al Qaida through accounts held by the Saudi Red Crescent and Blessed Relief Foundation, two of al Qaida's other charity fronts.</p> <p>In or about 1998, the NCB opened two "shared accounts" with Al-Rajhi Banking & Investment Corp (Special Joint account #22 and #33) for IIRO as a member of the Saudi Joint Relief Committee for Kosovo and</p>	
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	<p>Chechnya (SJRC). The SJRC served as a vehicle for funneling donations to al Qaida fighters in Kosovo and Chechnya. These accounts were not reviewed by the Audit Division nor by the Zakat Committee in 1998, indicating that they were established to launder funds in support of al Qaida activities in Kosovo and Chechnya.</p> <p>As an officer and principal shareholder of NCB, bin Mahfouz was specifically aware of the bank's contributions to, and other support of, IIRO, al Haramain and SJRC. Bin Mahfouz was also expressly aware that those ostensible charities were in fact fronts for al Qaida. In fact, statements by government officials and media reports published in the Arab world between 1992 and September 11, 2001 directly implicated IIRO, al Haramain and SJRC in al Qaida operations, plots and attacks in Kosovo, Chechnya, Kenya, Tanzania, Albania, the Philippines, Egypt, Afghanistan, Bosnia and elsewhere. By virtue of these accounts, bin Mahfouz necessarily knew and intended that al Qaida would materially benefit from the support NCB provided to al Qaida's charity fronts.</p> <p>According to a November 22, 1999 British intelligence report, the Saudi Arabian Royal family used NCB to channel funds to Osama Bin. In the fall of 1999, Reuters and USA Today quoted US intelligence sources stating an NCB audit conducted by Saudi government officials uncovered that \$3 million was diverted to al Qaida through the bank from five of Saudi Arabia's prominent business leaders' accounts. The transactions were laundered through accounts at NCB in the name of the Blessed Relief Foundation (a/k/a Muwafaq Foundation), an al Qaida charity front founded by bin Mahfouz and E.O. 13224 designee Yassin al Kadi.</p> <p>NCB also provided facilities for a fundraiser to finance the families of the "heroes of the</p>	
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	<p>Palestinian uprising” sponsored by IIRO in 2000.</p> <p>Bin Mahfouz was dismissed from NCB in 1999, soon after the audit revealed the bank’s extensive involvement in sponsoring al Qaida. However, he remains a shareholder of NCB (10%), along with his wife, Naila Abdulaziz Kaaki (10%) and their sons (16% for both Abdulrahman and Sultan). Bin Mahfouz’s brother-in-law, Saleh Hussein Kaaki, also sits on the NCB Board of Directors.</p> <p>Golden Chain: Bin Mahfouz is identified on the Golden Chain as one of al Qaida’s principal financiers. The “Golden Chain” document was discovered during a raid of the Bosnian offices of the Benevolence International Foundation, conducted jointly by the Federal Bureau of Investigation and Bosnian Police. During the course of that raid, the authorities seized several computer hard drives, one of which included a file named “Tareekh Osama” (“Osama’s History”), containing scanned images of documents chronicling the formation of al Qaida. The “Golden Chain” document was among several hundred documents contained in this computer file. Based on their analysis of all the documents within that file, and intelligence gathered from other sources during the war on terror, officials of the US government concluded that the document is “a list of people referred to within al Qaeda” as wealthy donors to the movement. See Government’s Evidentiary Proffer supporting the Admissibility of Co-Conspirator Statements, <u>United States of America v. Enaam Arnaout</u>, No. 02-CR-892 (N.D. Ill. filed Jan.6, 2003).</p> <p>The National Commission On Terrorist Attacks Upon the United States embraced this interpretation of the document in its Final Report. See <u>Final Report of the 9/11 Commission</u>, Note 21 to Chapter 2. The Treasury Department has similarly concluded</p>	
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that the "Golden Chain" is an authentic list of al Qaida's principal individual financiers, and in fact used Adel Batterjee's inclusion in the document as a basis for designating him as a terrorist sponsor under Executive Order 13224. See December 21, 2004 Treasury Department Press Release Regarding the Designation of Adel Batterjee, available at <http://www.treas.gov/press/releases/js2164.htm>

Blessed Relief: In June 1991 the Bin Mahfouz family founded Muwafaq Ltd in the Isle of Man, a tax haven. Its backers were named as a group of Saudi investors from Jeddah. The same year, Muwafaq Foundation (Blessed Relief) was established in Sudan, with Yasin Al Qadi acting as chairperson.

Abdulrahman Bin Khalid Bin Mahfouz, son of Khalid Bin Mahfouz, was named Director of the Muwafaq Foundation, while simultaneously serving as member of the board and Vice Chairman of the Executive Management Committee of NCB. Abdulrahman Bin Khalid Bin Mahfouz acknowledged in an interview with Forbes Magazine that Muwafaq Foundation was the "brainchild" of his father, "who funded it with as much as \$30 million".

At the time they established Muwafaq Foundation, Yassin al Qadi and Khalid bin Mahfouz intended for it to serve as a vehicle for funding and otherwise supporting terrorist organizations, including al Qaida.

The assets of Muwafaq Foundation and those of its Chairman, Yasin Al Qadi, were frozen on October 12, 2001 by the US Treasury Department pursuant to Executive Order 13224 blocking property and prohibiting transactions with persons who commit, threaten to commit or support terrorism. The governments of the United Kingdom, Turkey, Kazakhstan, Albania, Slovenia and Switzerland have also followed suit. The US

authorities described Yasin Al-Qadi as a "terrorist" and Muwafaq Foundation as an organization that "financially supports terrorism" and "funnels money to the al Qaeda terrorist network".

In a November 29, 2001 letter to Swiss authorities requesting that the Swiss government block al Qadi's assets, a copy of which is attached hereto and incorporated herein by reference, Treasury Department General Counsel David Aufhauser summarized the Muwafaq Foundation's pervasive sponsorship of al Qaida as follows:

The leader of the terrorist organization Al Gama'at Al Islamiya, Talad Fuad Kassem, has said that the Muwafaq Foundation provided logistical and financial support for a mujahadin battalion in Bosnia. The foundation also operated in Sudan, Somalia and Pakistan, among other places.

A number of individuals employed by or otherwise associated with the Muwafaq Foundation have connections to various terrorist organizations.

Muhammad Ali Harrath, main activist of the Tunisian Islamic Front (TIF) in the United Kingdom, was associated with Muwafaq personnel in Bosnia and other TIF members worked at the Muwafaq Foundation. Syrian citizen Mahmoud Mehdi, once a director of the Muwafaq Foundation in Pakistan, was a member of Al-Qa'ida and the Al Faran terrorist group responsible for the kidnapping of Westerners in Kashmir. He was also close to Ramzi Yusif who has been convicted in the United States for his role in the first World Trade Center attack. Following the arrest of Ramzi Yusif in 1995, the Pakistani police reportedly raided Muwafaq's offices and held its local director in custody for several months. The Muwafaq Foundation also provided support to HAMAS and the Abu Sayyaf Organization in the Philippines.

The Muwafaq Foundation also employed or served as cover for Islamic extremists connected with the military activities of Makhtab Al-Khidamat (MK), which has been partially financed by the Muwafaq

	<p>Foundation. The Muwafaq Foundation supplied identity cards and employment as cover for some Arabs to allow them, to obtain visas to remain in Pakistan. The founder of MK was Abdallah Azzam, who was Usama bin Laden's mentor. Following the dissolution of MK in early June 2001 and its absorption into Al Qa'ida, a number of NGOs formerly associated with MK, including Muwafaq also merged with Al- Qa'ida.</p> <p>Mr. Kadi has asserted in various press interviews that the Muwafaq Foundation ceased operations at a range of different times in 1995, 1996 or 1997. However, the United Nations reported that Muwafaq was active in Sudan as late as 1997. Moreover, far from ceasing operations, the U.N. report stated that the "Muwafaq Foundation plans to continue to expand its humanitarian activities in the coming year...." U.N. Department of Humanitarian. Affairs, Consolidated Inter-Agency, Appeal for Sudan January-December 1997 (Feb. 18, 1997)(emphasis added).</p> <p>From 1993, the head of the European offices of the Muwafaq Foundation was Ayadi Chafiq Bin Muhammad, who has been identified as Mr. Kadi's closest associate.⁹ Ayadi Chafiq fought in Afghanistan in the 1980s and is known to be associated with the Tunisian Islamic Front (TIF) in Algeria and Nabil Ben Mohammad Salah Maklouf, its leader. Mr. Chafiq was expelled from Tunisia because of his membership in the TIF. As of February 1999, Mr. Chafiq was running Mr. Kadi's European network and serving as the president of Depositna Banka in Sarajevo, Bosnia, which was owned by Mr. Kadi. Mr. Chafiq may have participated in planning an attack on a U.S. facility in Saudi Arabia. Mr. Chafiq left his residence in London in a hurry after the September 11 attacks, and had reportedly been in the United States in the months preceding the attack</p> <p>The pattern of activity displayed by Mr. Kadi, and his foundation and businesses, is typical of the financial support network of Al Qa'ida and other terrorist organizations. Working in troubled areas such as Bosnia, Somalia, Sudan, and various refugee camps, the putative "relief" organizations provide cover for individuals engaged in recruiting, organizing, and training terrorist cells. Their</p>	
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	<p>provision of humanitarian aid and educational services is done in concert with the terrorist to win the hearts and minds of the local people to whatever causes the terrorists espouse. When a region becomes more settled, such as Bosnia or Albania today, seemingly legitimate businesses replace charitable foundations as cover for continuing terrorist organizational activity. Mr. Kadi's actions and those of his Muwafaq Foundation and businesses fit this pattern and give rise to a reasonable basis to believe that they have facilitated terrorist activities.</p> <p>In an interview with the magazine <i>al-Watan al-Arabi</i> in 1996, Osama bin Laden stated that Muwafaq in Zagreb is one of the humanitarian organizations that he is actively supporting.</p> <p>In his capacity as an officer of NCB, and founder of Muwafaq Foundation, bin Mahfouz knowingly and actively participated in those organizations' continuous efforts to advance al Qaida's terrorist ambitions, and used his positions within those organizations to ensure that they served as effective mechanisms for raising and laundering funds for, and providing other forms of material support to, al Qaida. By virtue of his active role in the wrongdoing of NCB and Muwafawq Foundation, bin Mahfouz is personally responsible for the actions of those entities. In addition, bin Mahfouz has donated vast sums of his personal fortune to al Qaida, in support of that terrorist organization's campaign to attack America.</p>	
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EXHIBIT "B"
RICO STATEMENT

Federal Insurance Company, et al. v. al Qaida et al., 03cv6978

Plaintiffs	Total Paid Loss
ACE AMERICAN INSURANCE COMPANY	\$47,868,598.56
ACE BERMUDA INSURANCE LTD	\$298,000,000.00
ACE CAPITAL V LTD	\$118,454,289.00
ACE INA INSURANCE COMPANY OF CANADA	\$15,431,185.61
ACE INDEMNITY INSURANCE COMPANY	\$11,853.55
ACE INSURANCE SA-NV	\$17,990,692.00
ACE PROPERTY & CASUALTY INSURANCE COMPANY	\$34,637.00
AIU INSURANCE COMPANY	\$2,240.00
ALLSTATE INSURANCE COMPANY	\$13,300,834.13
AMERICAN ALTERNATIVE INSURANCE CORPORATION	\$3,517,565.31
AMERICAN EMPLOYERS' INSURANCE COMPANY	\$325,421.23
AMERICAN GLOBAL INSURANCE COMPANY	\$0.00
AMERICAN GUARANTEE AND LIABILITY INSURANCE COMPANY	\$42,208,222.23
AMERICAN HOME ASSURANCE COMPANY	\$106,952,607.60
AMERICAN HOME ASSURANCE COMPANY-CANADA	\$400,468,461.54
AMERICAN INTERNATIONAL SPECIALTY LINES INSURANCE COMPANY	\$15,183,595.31
AMERICAN ZURICH INSURANCE COMPANY	\$2,213,018.97
AMLIN UNDERWRITING, LTD.	\$203,040,909.68
ASSURANCE COMPANY OF AMERICA	\$2,074,058.61
ATLANTIC EMPLOYERS INSURANCE COMPANY	\$0.00
AXA ART INSURANCE CORPORATION	\$14,287,543.00
AXA CORPORATE SOLUTIONS ASSURANCE UK BRANCH	\$64,609,064.00
AXA CORPORATE SOLUTIONS INSURANCE COMPANY	\$112,330,452.00
AXA CORPORATE SOLUTIONS REINSURANCE COMPANY	\$83,531,796.00
AXA GLOBAL RISKS UK, LTD.	\$10,986,624.00
AXA RE	\$102,482,949.00
AXA RE CANADIAN BRANCH	\$23,767,599.00
AXA REINSURANCE UK PLC	\$17,159,504.00
AXA VERSICHERUNG AG	\$2,030,867.09
BANKERS STANDARD INSURANCE COMPANY	\$23,250,000.00
BIRMINGHAM FIRE INSURANCE COMPANY OF PENNSYLVANIA	\$0.00
BOSTON OLD COLONY INSURANCE COMPANY	\$5,100.00
CHINA AMERICA INSURANCE COMPANY LIMITED	\$3,590,140.08
CHUBB CUSTOM INSURANCE COMPANY	\$612,585.00
CHUBB INDEMNITY INSURANCE COMPANY	\$4,046,510.95
CHUBB INSURANCE COMPANY OF CANADA	\$44,923,071.95
CHUBB INSURANCE COMPANY OF NEW JERSEY	\$412,681.71
CNA CASUALTY OF CALIFORNIA	\$25,771.00
COLONIAL AMERICAN CASUALTY AND SURETY INS. COMPANY	\$20,000.00
COMMERCE AND INDUSTRY INSURANCE COMPANY	\$2,678,408.05
COMMERCE AND INDUSTRY INSURANCE COMPANY OF CANADA	\$27,067.71
COMMERCIAL INSURANCE COMPANY OF NEWARK, NJ	\$141,343.00
CONTINENTAL INSURANCE COMPANY	\$542,627.00
CONTINENTAL INSURANCE COMPANY OF NEW JERSEY	\$39,073.00
CRUM & FORSTER INDEMNITY COMPANY	\$44,300.08
FEDERAL INSURANCE COMPANY	\$1,443,157,526.81

EXHIBIT "B"
RICO STATEMENT

Federal Insurance Company, et al. v. al Qaida et al., 03cv6978

Plaintiffs	Total Paid Loss
FIDELITY AND CASUALTY COMPANY OF NEW YORK	\$79,856.00
FIDELITY AND DEPOSIT COMPANY OF MARYLAND	\$1,559,298.07
GLENS FALLS INSURANCE COMPANY	\$36,239.00
GRANITE STATE INSURANCE COMPANY	\$348,071.05
GREAT LAKES REINSURANCE U.K. PLC	\$77,999,865.52
GREAT NORTHERN INSURANCE COMPANY	\$601,712,247.63
HISCOX DEDICATED CORPORATE MEMBER, LTD.	\$230,130,545.84
HOMELAND INSURANCE COMPANY OF NEW YORK	\$210,670.75
ILLINOIS NATIONAL INSURANCE COMPANY	\$2,229,043.97
INDEMNITY INSURANCE COMPANY OF NORTH AMERICA	\$7,465,987.17
INSURANCE COMPANY OF NORTH AMERICA	\$78,692.00
LEXINGTON INSURANCE COMPANY	\$158,317,791.42
MARYLAND CASUALTY COMPANY	\$420,000.00
NATIONAL BEN FRANKLIN INSURANCE COMPANY OF ILLINOIS	\$6,442.00
NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH	\$26,647,699.78
NEW HAMPSHIRE INSURANCE COMPANY	\$2,260,134.91
NORTH RIVER INSURANCE COMPANY	\$3,405,966.77
NORTHERN INSURANCE COMPANY OF NEW YORK	\$1,043,292.05
ONE BEACON AMERICA INSURANCE COMPANY	\$85,101.50
ONE BEACON INSURANCE COMPANY	\$185,924,621.93
PACIFIC EMPLOYERS	\$4,868,748.19
PACIFIC INDEMNITY COMPANY	\$23,219,156.70
SENECA INSURANCE COMPANY, INC.	\$4,509,258.43
SPS REASSURANCE	\$79,888,622.00
STEADFAST INSURANCE COMPANY	\$1,828,050.13
THE CAMDEN FIRE INSURANCE ASSOCIATION	\$76,620.00
THE INSURANCE COMPANY STATE OF PENNSYLVANIA	\$114,621.84
THE PRINCETON EXCESS & SURPLUS LINES INSURANCE COMPANY	\$3,796,292.50
TIG INSURANCE COMPANY	\$76,211,229.00
TRANSATLANTIC REINSURANCE COMPANY	\$107,194,221.65
UNITED STATES FIRE INSURANCE COMPANY	\$77,554,603.07
VALIANT INSURANCE COMPANY	\$0.00
VIGILANT INSURANCE COMPANY	\$45,122,662.36
WESTCHESTER FIRE INSURANCE COMPANY	\$14,079,230.00
WESTCHESTER SURPLUS LINES INSURANCE CO.	\$12,705,000.00
WOBURN INSURANCE LTD	\$8,750,000.00
ZURICH AMERICAN INSURANCE COMPANY	\$817,500,947.12
	\$5,819,161,625.11