

**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 the SAAR Network Executives, as that term is defined herein
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This document relates to: Federal Insurance Co. v. al Qaeda
03 CV 06978 (RCC)

**RICO STATEMENT
APPLICABLE TO THE SAAR NETWORK EXECUTIVES**

Based on information currently available, plaintiffs submit this RICO statement pursuant to the Case Management Order dated June 15, 2004 for defendants:

- Taha Al-Alwani
- Muhammad Ashraf
- M. Omar Ashraf
- M. Yaqub Mirza
- Iqbal Yunus
- Dr. Jamal Barzinji.

These defendants are hereinafter sometimes collectively referred to as the “SAAR Network Executives.” 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 each defendant to whom this RICO statement pertains, the alleged misconduct and the basis of liability for each such defendant is indicated on the chart attached hereto as 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
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
mid-1990s to 9/11/2001	all SAAR Network Executives	Throughout this period, the SAAR Network Entities conspired to and did support terrorism, evade tax obligations, and obfuscate the roles of the various participants and conspirators in Radical Muslim Terrorism, which conspiracy culminated in the Attack.
mid-1990s to 9/11/2001	all SAAR Network Executives	In violation of 18 U.S.C. § 1952, on multiple occasions the SAAR Network Executives conspired to and did travel in interstate and/or foreign commerce, and/or used the mail and/or facilities in interstate or foreign commerce with intent to distribute the proceeds of their money laundering activities which are indictable under 18 U.S.C. § 1956 and/or 1957
mid-1990s to 9/11/2001	all SAAR Network Executives	In violation of 18 U.S.C. § 1956, on multiple occasions the SAAR Network Executives conspired to and did conduct financial transactions knowing that the property involved in those financial transactions represented the proceeds of previous instances of violations of 18 U.S.C. § 1956, by moving or authorizing the movement of funds through a series of transactions involving the charities and/or for-profit corporations owned by or related to the SAAR Network Entities and/or the SAAR Network Entities
mid-1990s to 9/11/2001	the SAAR Network Executives	In violation of 18 U.S.C. § 1957, on multiple occasions the SAAR Network Executives conspired to and did knowingly engage or attempt to engage in monetary transactions in criminally derived property that was of value greater than \$10,000.
mid-1990s	the SAAR Network	In violation of 18 U.S.C. § 371, the SAAR Network Executives conspired to and did

to 9/11/2001	Executives	defraud the United States Government of taxes legally due
mid-1990s to 9/11/2001	the SAAR Network Executives	In violation of 26 U.S.C. § 7206(1), (2), the SAAR Network Executives conspired to and did file false or materially false tax returns
mid-1990s to 9/11/2001	the SAAR Network Entities	In violation of 26 U.S.C. § 7212(a), the SAAR Network Entities conspired to or did file false or materially false tax returns, in furtherance of a corrupt endeavor to impede and impair the due administration of the internal revenue laws
late 1990s to 9/11/2001	all SAAR Network Executives	the SAAR Network Entities undertook the above-named actions as part of a conspiracy to commit murder and arson, in that they knew that the Enterprise they were underwriting, Radical Muslim Terrorism, planned to and would commit an act of deadly aggression against the United States in the near future, using the resources supplied by the SAAR Network Executives
mid-1990s to 9/11/2001	all SAAR Network Executives	the SAAR Network Executives agreed to form and associate themselves with the Enterprise and agreed to commit more than two predicate acts, <i>i.e.</i> , multiple acts of money laundering, tax evasion, 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 SAAR Network Executives' regular way of doing business. The SAAR Network Executives 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 Radical Muslim Terrorism. For example, in one such transaction, in 1998, SAAR Network Entity Mar-Jac Poultry, Inc. "donated" \$1.1 million, which represented 99% of the company's profits for that year, to SAAR Network Entity African Muslim

Agency, a purported charity, which then transferred all but \$35,000 of the money to another SAAR Network Entity, York International, a shell company located in the Isle of Man, which is famed for its bank secrecy laws. At the time of these transfers, SAAR Executive Defendant Yaqub Mirza served as an officer and/or director of all three SAAR Network Entities. In other words, Mirza directed Mar Jac's profits through a series of other entities he also controlled, 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 the SAAR Network Entities to surreptitiously provide funds to terrorist organizations, including al Qaeda, which conspiracy culminated in the Attack.

6.

- (a) The enterprise (the "Enterprise" or "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 Qaeda." Al Qaeda 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 Arab regimes that are not true to Islam; and (iii) punishing Israel, and the United States for its perceived support of Israel. Radical Muslim Terrorism does not feature a centralized hierarchy, because the lack of a centralized hierarchy is essential to the Enterprise's clandestine nature, its flexible, even nimble operations, and thus its success. Therefore, although al Qaeda 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. The SAAR Network Entities fit neatly into this framework by raising funds for and providing funding to and otherwise providing material support for the members of the Enterprise who engaged in the Attack by engaging in a course of conduct that included money laundering and tax evasion.

- (c) no.

- (d) All of the SAAR Network Executives are associated with the Enterprise.
 - (e) The SAAR Network Executives are members of the Enterprise, and are separate and distinct from the Enterprise.
 - (f) The SAAR Network Executives are perpetrators of the racketeering activity, and 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 the SAAR Network Executives is separate from the existence of 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 the SAAR Network Executives funds 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 funded 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 the SAAR Network Executives, 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. Radical Muslim Terrorism “employs” certain individuals, only a few of whose identities are known, including defendant Osama bin Ladin; the constituent members and associates of the Enterprise, including the SAAR Network Entities, employ other of the defendants, including the SAAR Network Executives.
 14. The history of the conspiracy behind 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 Qaeda established itself in Afghanistan, and relied on well-placed financial facilitators, including the SAAR Network Entities, and laundered funds from Islamic charities, including the so-called charities and corporations among the SAAR Network Entities. The financial facilitators, including the SAAR Network Executives, 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 Muslims. Al Qaeda also

collected money from employees of corrupted charities, including, upon information and belief, at least some of the SAAR Network Entities.

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 with 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 the SAAR Network Executives. Indeed, the Enterprise would not have been successful without the enthusiastic participation of all of the conspirators, including the SAAR Network Executives. 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 the SAAR Network Executives. Each SAAR Network Executive, with knowledge and intent, agreed to the overall objectives of the conspiracy, and each agreed to commit at least two predicate acts and all agreed to participate in the conspiracy, either expressly or impliedly. Each SAAR Network Executive 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".

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
Taha Al-Alwani	In his capacity as President of the International Institute of Islamic Thought and an officer of the Heritage Education Trust, Al-Alwani 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 the Enterprise's common goals and ultimate plan of launching an attack on America.	1962(c) 1962(d)
Muhammad Ashraf	In his capacity as an officer and/or director of many of the SAAR Network Entities, including the Sterling Investment Group, the Sterling Charitable Gift Fund, and York Foundation, Ashraf 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 the Enterprise's common goals and ultimate plan of launching an attack on America.	1962(c) 1962(d)
M. Omar Ashraf	in his capacity as a director or officer of several of the SAAR Network Entities, including Grove Corporate Plaza, Mar-Jac Investments, and Sterling Charitable Gift Fund, Ashraf 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 the Enterprise's common goals and ultimate plan of launching an attack on America..	1962(c) 1962(d)

M. Yaqub Mirza	In his capacity as an officer or director of numerous of the SAAR Network Entities, including Safa Trust, Inc., SAAR Foundation, Reston Investments, Inc., Mar-Jac Investments, Inc., and African Muslim Agency, Mirza is the principal signatory on Safa Group checks, and 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 the Enterprise's common goals and ultimate plan of launching an attack on America..	1962(c) 1962(d)
Iqbal Yunus	In his capacity as director of the Child Development Foundation, a SAAR Network Entity, and through his association with the Sterling Charitable Gift Fund and Sterling Management Group, Unus 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 the Enterprise's common goals and ultimate plan of launching an attack on America.	1962(c) 1962(d)
Dr. Jamal Barzinji	In his capacity as president of Safa Trust, and as director of numerous of the SAAR Network Entities, including Mar-Jac Poultry, Reston Investments, International Institute of Islamic Thought, and Safa Trust, Dr. Barzinji 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 the Enterprise's common goals and ultimate plan of launching an attack on America.	1962(c) 1962(d)

EXHIBIT "B"

RICO STATEMENT

<i>Federal Insurance Company, et al. v. al Qaida et al., 03cv6978 Plaintiffs</i>	Paid to Date
ALLSTATE INSURANCE COMPANY	\$12,945,647.78
AMERICAN ALTERNATIVE INSURANCE CORPORATION	\$2,590,862.56
AMERICAN EMPLOYERS' INSURANCE COMPANY	\$325,421.23
AMERICAN GUARANTEE AND LIABILITY INSURANCE COMPANY	\$44,407,749.17
AMERICAN ZURICH INSURANCE COMPANY	\$2,365,183.61
AMLIN UNDERWRITING, LTD.	\$66,991,142.12
ASSURANCE COMPANY OF AMERICA	\$2,417,600.19
BOSTON OLD COLONY INSURANCE COMPANY	\$5,100.00
CHUBB CUSTOM INSURANCE COMPANY	\$612,585.00
CHUBB INDEMNITY INSURANCE COMPANY	\$3,771,622.01
CHUBB INSURANCE COMPANY OF CANADA	\$44,547,557.24
CHUBB INSURANCE COMPANY OF NEW JERSEY	\$410,681.69
CNA CASUALTY OF CALIFORNIA	\$25,771.00
COLONIAL AMERICAN CASUALTY AND SURETY INS. COMPANY	\$21,400.00
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	\$1,310,819,537.70
FIDELITY AND CASUALTY COMPANY OF NEW YORK	\$79,856.00
FIDELITY AND DEPOSIT COMPANY OF MARYLAND	\$7,636,903.02
GLENS FALLS INSURANCE COMPANY	\$36,239.00
GREAT LAKES REINSURANCE U.K. PLC	\$57,682,223.62
GREAT NORTHERN INSURANCE COMPANY	\$598,520,989.15
HISCOX DEDICATED CORPORATE MEMBER, LTD.	\$228,774,228.62
HOMELAND INSURANCE COMPANY OF NEW YORK	\$210,670.75
MARYLAND CASUALTY COMPANY	\$448,063.19
NATIONAL BEN FRANKLIN INSURANCE COMPANY OF ILLINOIS	\$6,442.00
NORTH RIVER INSURANCE COMPANY	\$3,405,966.77
NORTHERN INSURANCE COMPANY OF NEW YORK	\$1,288,908.39
ONE BEACON AMERICA INSURANCE COMPANY	\$85,101.50
ONE BEACON INSURANCE COMPANY	\$185,924,621.93
PACIFIC INDEMNITY COMPANY	\$20,917,471.59
SENECA INSURANCE COMPANY, INC.	\$4,039,407.18
STEADFAST INSURANCE COMPANY	\$392,783.63
THE CAMDEN FIRE INSURANCE ASSOCIATION	\$76,620.00
THE PRINCETON EXCESS & SURPLUS LINES INSURANCE COMPANY	\$3,796,292.50
UNITED STATES FIRE INSURANCE COMPANY	\$75,434,277.11
VALIANT INSURANCE COMPANY	\$3,500.00
VIGILANT INSURANCE COMPANY	\$41,781,107.08
ZURICH AMERICAN INSURANCE COMPANY	\$783,686,766.26

**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 Sherif Sedky
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This document relates to: Federal Insurance Co. v. al Qaida
03 CV 06978 (RCC)

**RICO STATEMENT
APPLICABLE TO SHERIF SEDKY**

Based on information currently available, and pursuant to the Case Management Order dated June 15, 2004, plaintiffs submit this RICO statement for defendant Sherif Sedky, a/k/a Cherif Sedky (hereinafter "Sherif Sedky").

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 is Sherif Sedky. 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
Providing material support for terrorism	18 U.S.C. § 2332, § 2339 (A) – (C)

(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	Sherif Sedky	Throughout this period, Sherif Sedky conspired to and did support terrorism, evade tax obligations, and obfuscate the roles of the various participants and conspirators in Radical Muslim Terrorism, which conspiracy culminated in the Attack.
early 1990s to 9/11/2001	Sherif Sedky	In violation of 18 U.S.C. § 1952, on multiple occasions Sherif Sedky conspired to and did traffic in interstate and/or foreign commerce, and/or used the mail and/or facilities in interstate or foreign commerce with intent to distribute the proceeds of their money laundering activities which are indictable under 18 U.S.C. § 1956 and/or 1957.
early 1990s to 9/11/2001	Sherif Sedky	In violation of 18 U.S.C. § 1956, on multiple occasions Sherif Sedky conspired to and did conduct financial transactions knowing that the property involved in those financial

		transactions represented the proceeds of previous instances of violations of 18 U.S.C. § 1956, by moving or authorizing the movement of funds through a series of transactions involving the charities and/or for-profit corporations controlled by Sherif Sedky
early 1990s to 9/11/2001	Sherif Sedky	In violation of 18 U.S.C. § 1957, on multiple occasions Sherif Sedky conspired to and did knowingly engage or attempt to engage in monetary transactions in criminally derived property that was of value greater than \$10,000.
early 1990s to 9/11/2001	Sherif Sedky	In violation of 18 U.S.C. § 371, Sherif Sedky conspired to and did defraud the United States Government of taxes legally due
mid-1990s to 9/11/2001	Sherif Sedky	In violation of 26 U.S.C. § 7206(1), (2), Sherif Sedky conspired to and did file false or materially false tax returns
early 1990s to 9/11/2001	Sherif Sedky	In violation of 26 U.S.C. § 7212(a), Sherif Sedky conspired to or did file false or materially false tax returns, in furtherance of a corrupt endeavor to impede and impair the due administration of the internal revenue laws
early 1990s to 9/11/2001	Sherif Sedky	Sherif Sedky undertook the above-named actions as part of a conspiracy to commit murder and arson, in that he knew that the Enterprise he was underwriting, Radical Muslim Terrorism, planned to and would commit an act of deadly aggression against the United States in the near future, using the resources supplied by Sherif Sedky
early 1990s to 9/11/2001	Sherif Sedky	Sherif Sedky 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, tax evasion, 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. Sherif Sedky and 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 Radical Muslim Terrorism. For example, in one such transaction, in 1998, SAAR Network Entity Mar-Jac Poultry, Inc. "donated" \$1.1 million, which represented 99% of the company's profits for that year, to SAAR Network Entity African Muslim Agency, a purported charity, which then transferred all but \$35,000 of the money to another SAAR Network Entity, York International, a shell company located in the Isle of Man, which is famed for its bank secrecy laws. At the time of these transfers, Sherif Sedky served as an officer and/or director of all three SAAR Network Entities. In other words, Sherif Sedky directed Mar Jac's profits through a series of other entities he also controlled, 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 "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. 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. Sherif Sedky fit neatly into this framework by raising funds for providing funding to, and otherwise providing material support for al Qaida and the members of the Enterprise who engaged in the Attack.

- (c) no.
 - (d) Sherif Sedky is associated with the Enterprise.
 - (e) Sherif Sedky is a member of the Enterprise, and is separate and distinct from the Enterprise.
 - (f) Sherif Sedky 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 Sherif Sedky is separate from the existence of 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 Sherif Sedky 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 Sherif Sedky, 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. 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 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 Sherif Sedky, who laundered funds 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. In addition, al Qaida members cited the ostensible employment with charities to conceal their terrorist activities and to gain entry into important conflict areas.

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 financial services and funds supplied by participants and conspirators like Sherif Sedky. Indeed, the Enterprise would not have been successful without the enthusiastic participation of all of the conspirators, including Sherif Sedky. 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 Sherif Sedky. Sherif Sedky, 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. Sherif Sedky 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".

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
Sherif Sedky	In his capacity as secretary, trustee and director of the SAAR Network, Sherif Sedky conspired to and did generate and surreptitiously transfer funds to terrorist organizations, including al Qaida. As Sherif Sedky knew, the entities operating within the SAAR Network have 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.	1962(c) 1962(d)
Sherif Sedky	In his capacity as secretary, trustee and director of the SAAR Network, Sherif Sedky 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 the Enterprise's common goals and ultimate plan of launching an attack on America.	1962(c) 1962(d)
Sherif Sedky	In his capacity as advisor to the Bin Mahfouz family: Khalid Bin Mahfouz is a wealthy Saudi national and is identified on the "Golden Chain" as one of al Qaida's principal individual financiers. For many years, bin Mahfouz owned a controlling interest in National Commercial Bank ("NCB"), and served as President and CEO of that institution. While under Bin Mahfouz's control, and with Sherif Sedky's assistance, NCB provided extensive financial services and	1962(c) 1962(d)

	<p>other forms of material support to al Qaida. Bin Mahfouz, with Sherif Sedky's assistance, also endowed the Blessed Relief Foundation, established to serve as a vehicle for funding and otherwise supporting terrorist organizations, including al Qaida, and designated as a Foreign Terrorist Organization under Executive Order 13224 based on its extensive involvement in al Qaida's global operations. Bin Mahfouz, again with Sherif Sedky's assistance, is also intimately associated with the International Development Foundation, another charity operating within al Qaida's support infrastructure. Sherif Sedky thus participates and conspires in al Qaida's operations with full knowledge that his funds would be used to support al Qaida's operations and terrorist attacks, which culminated in the Attack.</p>	
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A.

**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 Ahmad Totonji and Mohammed Jaghlit
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This document relates to: Federal Insurance Co. v. al Qaida
03 CV 06978 (RCC)

**RICO STATEMENT
APPLICABLE TO AHMAD TONJJI AND MOHAMMED JAGHLIT**

Based on information currently available, and pursuant to the Case Management Order dated June 15, 2004, plaintiffs submit this RICO statement for defendant Ahmad Totonji and Mohammed Jaghlit.

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 defendants to whom this RICO statement pertains are Ahmad Totonji and Mohammed Jaghlit.. 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
Providing material support for terrorism	18 U.S.C. § 2332, § 2339 (A) – (C)

- (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	Ahmad Totonji and Mohammed Jaghlit	Throughout this period, Ahmad Totonji and Mohammed Jaghlit conspired to and did support terrorism, evade tax obligations, and 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	Ahmad Totonji and Mohammed Jaghlit	In violation of 18 U.S.C. § 1952, on multiple occasions Ahmad Totonji and Mohammed Jaghlit conspired to and did traffic in interstate and/or foreign commerce, and/or used the mail and/or facilities in interstate or foreign commerce with intent to distribute the proceeds of their money laundering activities which are indictable under 18

		U.S.C. § 1956 and/or 1957.
early 1990s to 9/11/2001	Ahmad Totonji and Mohammed Jaghlit	In violation of 18 U.S.C. § 1956, on multiple occasions Ahmad Totonji and Mohammed Jaghlit conspired to and did conduct financial transactions knowing that the property involved in those financial transactions represented the proceeds of previous instances of violations of 18 U.S.C. § 1956, by moving or authorizing the movement of funds through a series of transactions involving the charities and/or for-profit corporations controlled by Ahmad Totonji and Mohammed Jaghlit.
early 1990s to 9/11/2001	Ahmad Totonji and Mohammed Jaghlit	In violation of 18 U.S.C. § 1957, on multiple occasions Ahmad Totonji and Mohammed Jaghlit conspired to and did knowingly engage or attempt to engage in monetary transactions in criminally derived property that was of value greater than \$10,000.
early 1990s to 9/11/2001	Ahmad Totonji and Mohammed Jaghlit	In violation of 18 U.S.C. § 371, Ahmad Totonji and Mohammed Jaghlit conspired to and did defraud the United States Government of taxes legally due
early 1990s to 9/11/2001	Ahmad Totonji and Mohammed Jaghlit	In violation of 26 U.S.C. § 7206(1), (2), Ahmad Totonji and Mohammed Jaghlit conspired to and did file false or materially false tax returns
early 1990s to 9/11/2001	Ahmad Totonji and Mohammed Jaghlit	In violation of 26 U.S.C. § 7212(a), Ahmad Totonji and Mohammed Jaghlit conspired to or did file false or materially false tax returns, in furtherance of a corrupt endeavor to impede and impair the due administration of the internal revenue laws
early 1990s to 9/11/2001	Ahmad Totonji and Mohammed Jaghlit	Ahmad Totonji and Mohammed Jaghlit undertook the above-named actions as part of a conspiracy to commit murder and arson, in that they knew that the Enterprise he was underwriting, 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 supplied by Ahmad Totonji and Mohammed Jaghlit.
early 1990s to 9/11/2001	Ahmad Totonji and Mohammed Jaghlit	Ahmad Totonji and Mohammed Jaghlit agreed to form and associate themselves with the Enterprise and agreed to commit more than two predicate acts, <i>i.e.</i> , multiple acts of money laundering, tax evasion, 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. Ahmad Totonji, Mohammed Jaghlit and 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 to perpetrate radical Muslim terrorism . For example, in one such transaction, in 2000, SAAR Network Entity Safa Trust, of which Totonji and Jaghlit served as officers, "donated" \$400,000 to another SAAR Network Entity, the York Foundation (located in the same building as Safa Trust), which in turn sent \$400,000 to a related entity called York International Trust, a shell company located in the Isle of Man, which is famed for its bank secrecy laws. As a further example of layering involving a charitable contribution and loan, in 1996 Safa contributed \$8.6 million to the Heritage Education Trust, controlled by Jaghlit. according to the Safa Trust 990. In that same year Heritage loaned \$5.5 million to Mar-Jac Holdings, Safa's majority owned subsidiary. In the following year, Heritage transferred \$4.1 million to Safa, reporting that this was a return of the 1996 contribution. As there was no reason Safa could not have made the loan directly to Mar-Jac Holdings, its subsidiary, it is apparent that the route the funds traveled, from Safa to Heritage to Mar-Jac, with a portion being returned to Safa, was designed to disguise the true nature of the transaction and the ultimate disposition of these funds. Indeed, between 1996 and 2000, approximately \$26 million was funneled from the SAAR network of charities (including the International Institute for Islamic Thought, which Totonji controlled, and the Heritage Education Trust, which Jaghlit controlled) 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, Ahmad Totonji and Mohammed Jaghlit 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. Ahmad Totonji and Mohammed Jaghlit fit neatly into this framework by raising funds for, providing funding to, and otherwise providing material support for al Qaida and the members of the Enterprise who engaged in the Attack.

- (c) no.

- (d) Ahmad Totonji and Mohammed Jaghlit are associated with the Enterprise.

- (e) Ahmad Totonji and Mohammed Jaghlit are members of the Enterprise, and are separate and distinct from the Enterprise.

- (f) Ahmad Totonji and Mohammed Jaghlit 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 Ahmad Totonji and Mohammed Jaghlit 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 Ahmad Totonji and Mohammed Jaghlit 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 Ahmad Totonji and Mohammed Jaghlit, 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 Ahmad Totonji and Mohammed Jaghlit, who laundered funds 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. In addition, al Qaida members cited the ostensible employment with charities to conceal their terrorist activities and to gain entry into important conflict areas.

The funds thus raised were used to, among other things, operate terrorist training camps in the Sudan, Afghanistan, and various other regions, 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 the Sudan, Afghanistan, Bosnia-Herzegovina, Kosovo and Chechnya. From the ranks of these recruits the nineteen perpetrators of the Attack were selected. None of this would have been possible without the financial services and funds supplied by participants and conspirators like Ahmad Totonji and Mohammed Jaghlit. Indeed, the Enterprise would not have been successful without the enthusiastic participation of all of the conspirators, including Ahmad Totonji and Mohammed Jaghlit. 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 Ahmad Totonji and Mohammed Jaghlit. Ahmad Totonji and Mohammed Jaghlit 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. Ahmad Totonji and Mohammed Jaghlit 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".

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
Ahmad Totonji	In his capacity as a director of the International Institute for Islamic Thought and the Safa Trust, Ahmad Totonji conspired to and did generate and surreptitiously transfer funds to terrorist organizations, including al Qaida. As Ahmad Totonji knew, the entities operating within the SAAR Network have 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.	1962(c) 1962(d)
Mohammed Jaghlit	In his capacity as a director of the Heritage Education Trust and the SAAR Foundation, Mohammed Jaghlit conspired to and did generate and surreptitiously transfer funds to terrorist organizations, including al Qaida. As Ahmad Totonji knew, the entities operating within the SAAR Network have 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.	1962(c) 1962(d)
Ahmad Totonji	In his capacity as a director of the International Institute for Islamic Thought and the Safa Trust, Ahmad Totonji 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 the	1962(c) 1962(d)

	Enterprise's common goals and ultimate plan of launching an attack on America.	
Mohammed Jaghlit	In his capacity as a director of the Heritage Education Trust and the SAAR Foundation, Mohammed Jaghlit 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 the Enterprise's common goals and ultimate plan of launching an attack on America.	1962(c) 1962(d)

A.

**EXHIBIT “B”
RICO STATEMENT**

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

Plaintiffs	Total Paid Loss
ACE AMERICAN INSURANCE COMPANY	\$47,868,634.56
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	\$8,949,697.81
AMERICAN EMPLOYERS’ INSURANCE COMPANY	\$325,421.23
AMERICAN GUARANTEE AND LIABILITY INSURANCE COMPANY	\$45,075,821.53
AMERICAN HOME ASSURANCE COMPANY	\$106,952,607.60
AMERICAN HOME-CANADA	\$400,468,461.54
AMERICAN INTERNATIONAL SPECIALTY LINES INSURANCE COMPANY	\$15,183,595.31
AMERICAN ZURICH INSURANCE COMPANY	\$2,367,662.26
AMLIN UNDERWRITING, LTD.	\$66,991,142.12
ASSURANCE COMPANY OF AMERICA	\$2,425,967.81
AXA ART INSURANCE CORPORATION	\$14,287,543.00
AXA CORPORATE SOLUTIONS ASSURANCE UK BRANCH	\$64,609,064.00
AXA CORPORATE SOLUTIONS INSURANCE COMPANY	\$72,177,208.00
AXA CORPORATE SOLUTIONS REINSURANCE COMPANY	\$87,681,468.00
AXA GLOBAL RISKS UK, LTD.	\$10,986,624.00
AXA RE	\$102,482,949.00
AXA RE CANADIAN BRANCH	\$21,052,888.00
AXA REINSURANCE UK PLC	\$18,068,229.00
BANKERS STANDARD INSURANCE COMPANY	\$23,250,000.00
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	\$3,791,622.01
CHUBB INSURANCE COMPANY OF CANADA	\$44,547,557.24
CHUBB INSURANCE COMPANY OF NEW JERSEY	\$410,681.69
CNA CASUALTY OF CALIFORNIA	\$25,771.00
COLONIAL AMERICAN CASUALTY AND SURETY INS. COMPANY	\$21,400.00
COMMERCE AND INDUSTRY INSURANCE COMPANY	\$2,678,408.05
COMMERCE AND INDUSTRY INSURANCE COMPANY OF CANADA	\$400,468,461.54
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	\$1,318,199,318.43
FIDELITY AND CASUALTY COMPANY OF NEW YORK	\$79,856.00
FIDELITY AND DEPOSIT COMPANY OF MARYLAND	\$1,636,903.02
GLENS FALLS INSURANCE COMPANY	\$36,239.00

**EXHIBIT “B”
RICO STATEMENT**

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

Plaintiffs	Total Paid Loss
GRANITE STATE INSURANCE COMPANY	\$348,071.05
GREAT LAKES REINSURANCE U.K. PLC	\$62,682,223.62
GREAT NORTHERN INSURANCE COMPANY	\$601,113,592.16
HISCOX DEDICATED CORPORATE MEMBER, LTD.	\$230,116,847.86
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
INSURANCE COMPANY STATE OF PENNSYLVANIA	\$114,621.84
LEXINGTON INSURANCE COMPANY	\$158,317,791.42
MARYLAND CASUALTY COMPANY	\$448,063.19
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	\$1,319,966.27
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	\$22,123,590.33
SENECA INSURANCE COMPANY, INC.	\$4,509,258.43
SPS REASSURANCE	\$79,888,622.00
STEADFAST INSURANCE COMPANY	\$394,788.46
THE CAMDEN FIRE INSURANCE ASSOCIATION	\$76,620.00
THE PRINCETON EXCESS & SURPLUS LINES INSURANCE COMPANY	\$3,796,292.50
TIG INSURANCE COMPANY	\$76,211,229.00
TRANSATLANTIC REINSURANCE COMPANY	\$2,205,773.00
UNITED STATES FIRE INSURANCE COMPANY	\$79,258,822.76
VALIANT INSURANCE COMPANY	\$3,500.00
VIGILANT INSURANCE COMPANY	\$42,016,341.86
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	\$828,650,409.08

**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 the SAAR Network Entities, as that term is defined herein
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This document relates to: Federal Insurance Co. v. al Qaida
03 CV 06978 (RCC)

**RICO STATEMENT
APPLICABLE TO THE SAAR NETWORK ENTITIES**

Based on information currently available, plaintiffs submit this RICO statement pursuant to the Case Management Order dated June 15, 2004 for defendants:

- Mar-Jac Poultry
- African Muslim Agency
- Grove Corporate, Inc.
- Heritage Education Trust, Inc.
- International Institute of Islamic Thought
- Mar-Jac Investments, Inc.
- Mena Corporation
- Reston Investments, Inc.
- Safa Trust
- Sterling Charitable Gift Fund
- Sterling Management Group, Inc.
- York Foundation.

These defendants are hereinafter sometimes collectively referred to as the “SAAR Network Entities.” 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), depending on the defendant and the conduct at issue, as indicated in Exhibit “A”.
2. The name of each defendant to whom this RICO statement pertains, the alleged misconduct and the basis of liability for each such defendant is indicated on the chart attached hereto as 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
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
mid-1990s to 9/11/2001	all SAAR Network Entities	Throughout this period, the SAAR Network Entities conspired to support terrorism, to evade tax obligations, and to obfuscate the roles of the various participants and conspirators in Radical Muslim Terrorism, which conspiracy culminated in the Attack.
mid-1990s to 9/11/2001	all SAAR Network Entities	In violation of 18 U.S.C. § 1956, on multiple occasions the SAAR Network Entities conspired to and did conduct financial transactions knowing that the property involved in those financial transactions represented the proceeds of previous instances of violations of 18 U.S.C. § 1956, by moving or authorizing the movement of funds through a series of transactions involving the charities and/or for-profit corporations owned by or related to the SAAR Network Entities
mid-1990s to 9/11/2001	the SAAR Network Entities	In violation of 18 U.S.C. § 1957, on multiple occasions the SAAR Network Entities conspired to and did knowingly engage or attempt to engage in monetary transactions in criminally derived property that was of value greater than \$10,000.
mid-1990s to 9/11/2001	the SAAR Network Entities	In violation of 18 U.S.C. § 371, the SAAR Network Entities conspired to and did defraud the United States Government of taxes legally due by the SAAR Network Entities
mid-1990s to 9/11/2001	the SAAR Network Entities	In violation of 26 U.S.C. § 7206(1), (2), the SAAR Network Entities conspired to and did file false or materially false tax returns,
mid-1990s to 9/11/2001	the SAAR Network Entities	In violation of 26 U.S.C. § 7212(a), the SAAR Network Entities conspired to or did file false or materially false tax returns, in furtherance of a corrupt endeavor to impede

		and impair the due administration of the internal revenue laws
late 1990s to 9/11/2001	all SAAR Network Entities	the SAAR Network Entities undertook the above-named actions as part of a conspiracy to commit murder and arson, in that they knew that the Enterprise they were underwriting, Radical Muslim Terrorism, planned to and would commit an act of deadly aggression against the United States in the near future, using the resources supplied by the SAAR Network Entities
mid-1990s to 9/11/2001	all SAAR Network Entities	the SAAR Network Entities agreed to form and associate themselves 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 SAAR Network Entities’ regular way of doing business. The SAAR Network Entities 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 Radical Muslim Terrorism. For example, in one such transaction, in 1998, SAAR Network Entity Mar-Jac Poultry, Inc. “donated” \$1.1 million, which represented 99% of the company’s profits for that year, to SAAR Network Entity African Muslim Agency, a purported charity, which then transferred all but \$35,000 of the money to another SAAR Network Entity, York International, a shell company located in the Isle of Man, which is famed for its bank secrecy laws. At the time of these transfers, SAAR Executive Defendant Yaqub Mirza served as an officer and/or director of all three SAAR Network Entities. In other words, Mirza directed Mar Jac’s profits through a series of other entities he also controlled, 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 the SAAR Network Entities to surreptitiously provide funds to terrorist organizations, including al Qaida, which conspiracy culminated in the Attack.

6.

(a) The enterprise (the “Enterprise” or “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 Arab regimes that are not true to Islam; and (iii) punishing Israel, and the United States for its perceived support of Israel. 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. The SAAR Network Entities fit neatly into this framework by raising funds for and providing funding to and otherwise providing material support for the members of the Enterprise who engaged in the Attack by engaging in a course of conduct that included money laundering and tax evasion.

(c) no.

(d) All of the SAAR Network Entities are associated with the Enterprise.

(e) The SAAR Network Entities are members of the Enterprise, and are separate and distinct from the Enterprise.

(f) Most of the SAAR Network Entities are perpetrators of the racketeering activity; others 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 the SAAR Network Entities is separate from the existence of 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 the SAAR Network Entities funds 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 funded 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 the SAAR Network Entities, 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. Radical Muslim Terrorism “employs” certain individuals, only a few of whose identities are known, including defendant Osama bin Ladin; the constituent members and associates of the Enterprise, including the SAAR Network Entities, employ other of the defendants, including the SAAR Network Executives.
14. The history of the conspiracy behind 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 the SAAR Network Entities, and laundered funds from Islamic so-called charities and corporations, including the charities and corporations among the SAAR Network Entities. The financial facilitators, including the SAAR Network Entities, 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, including, upon information and belief, some of the SAAR Network Entities.

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 with 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 the SAAR Network Entities. Indeed, the Enterprise

would not have been successful without the enthusiastic participation of all of the conspirators, including the SAAR Network Entities. 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 the SAAR Network Entities. Each SAAR Network Entity, with knowledge and intent, agreed to the overall objectives of the conspiracy, and each agreed to commit at least two predicate acts and all agreed to participate in the conspiracy, either expressly or impliedly. Each SAAR Network Entity 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".

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
Mar-Jac Poultry	A large poultry processor located in Gainesville, Georgia whose principal officers are SAAR Network Executives Dr. Jamal Barzinji, M. Omar Ashraf, and Mirza, Mar-Jac Poultry transferred millions of dollars to the SAAR Network Entities between 1997 and 2000 to fund the Enterprise so that those funds could be forwarded to al Qaida and to other members of the Enterprise.	1962(c) 1962(d)
African Muslim Agency	is a member of the Safa Group and a tax-exempt organization located in Herndon, Virginia which functions as a conduit for funding to terrorist organizations, including al Qaida, and which has committed multiple acts of conspiracy to commit murder and arson, money laundering, tax fraud, filing a false tax return, and impeding and impairing the collecting of federal taxes, all in furtherance of the Enterprise's common goals and ultimate plan of launching an attack on America.	1962(c) 1962(d)
Grove Corporate, Inc.	is a member of the Safa Group located in Leesburg, Virginia which functions as a conduit for funding to terrorist organizations, including al Qaida, and which has committed multiple acts of conspiracy to commit murder and arson, money laundering, tax fraud, filing a false tax return, and impeding and impairing the collecting of federal taxes, all in furtherance of the Enterprise's common goals and ultimate plan of launching an attack on America.	1962(c) 1962(d)
Heritage Education Trust, Inc.	is a member of the Safa Group and a tax-exempt organization located in Leesburg, Virginia which functions as a conduit for	1962(c) 1962(d)

	<p>funding to terrorist organizations, including al Qaida, and which has committed multiple acts of conspiracy to commit murder and arson, money laundering, tax fraud, filing a false tax return, and impeding and impairing the collecting of federal taxes, all in furtherance of the Enterprise's common goals and ultimate plan of launching an attack on America.</p>	
<p>International Institute of Islamic Thought</p>	<p>is a member of the Safa Group and a tax-exempt organization located in Herndon, Virginia which functions as a conduit for funding to terrorist organizations, including al Qaida, and which has committed multiple acts of conspiracy to commit murder and arson, money laundering, tax fraud, filing a false tax return, and impeding and impairing the collecting of federal taxes, all in furtherance of the Enterprise's common goals and ultimate plan of launching an attack on America.</p>	<p>1962(c) 1962(d)</p>
<p>Mar-Jac Investments, Inc.</p>	<p>a wholly-owned subsidiary of SAAR Foundation, Inc., and which has committed multiple acts of conspiracy to commit murder and arson, money laundering, tax fraud, filing a false tax return, and impeding and impairing the collecting of federal taxes, all in furtherance of the Enterprise's common goals and ultimate plan of launching an attack on America.</p>	<p>1962(c) 1962(d)</p>
<p>Mena Corporation</p>	<p>is a member of the Safa Group located in Herndon, Virginia which functions as a conduit for funding to terrorist organizations, including al Qaida, and which has committed multiple acts of conspiracy to commit murder and arson, money laundering, tax fraud, filing a false tax return, and impeding and impairing the collecting of federal taxes, all in furtherance of the Enterprise's common goals and ultimate plan of launching an attack on America.</p>	<p>1962(c) 1962(d)</p>
<p>Reston Investments, Inc.</p>	<p>is a member of the Safa Group located in Herndon, Virginia which functions as a conduit for funding to terrorist organizations, including al Qaida, and which has committed</p>	<p>1962(c) 1962(d)</p>

	multiple acts of conspiracy to commit murder and arson, money laundering, tax fraud, filing a false tax return, and impeding and impairing the collecting of federal taxes, all in furtherance of the Enterprise's common goals and ultimate plan of launching an attack on America.	
Safa Trust	is a member of the Safa Group and a tax-exempt organization located in Herndon, Virginia which functions as a conduit for funding to terrorist organizations, including al Qaida, and which has committed multiple acts of conspiracy to commit murder and arson, money laundering, tax fraud, filing a false tax return, and impeding and impairing the collecting of federal taxes, all in furtherance of the Enterprise's common goals and ultimate plan of launching an attack on America.	1962(c) 1962(d)
Sterling Charitable Gift Fund	is a member of the Safa Group and a tax-exempt organization located in Herndon, Virginia which functions as a conduit for funding to terrorist organizations, including al Qaida, and which has committed multiple acts of conspiracy to commit murder and arson, money laundering, tax fraud, filing a false tax return, and impeding and impairing the collecting of federal taxes, all in furtherance of the Enterprise's common goals and ultimate plan of launching an attack on America.	1962(c) 1962(d)
Sterling Management Group, Inc.	is a member of the Safa Group and is the operating name of the Sterling Charitable Gift Fund; functions as a conduit for funding to terrorist organizations, including al Qaida, and which has committed multiple acts of conspiracy to commit murder and arson, money laundering, tax fraud, filing a false tax return, and impeding and impairing the collecting of federal taxes, all in furtherance of the Enterprise's common goals and ultimate plan of launching an attack on America.	1962(c) 1962(d)
York Foundation	is a member of the Safa Group and a tax-exempt organization located in Herndon, Virginia which functions as a conduit for	1962(d)

	funding to terrorist organizations, including al Qaida, and which has committed multiple acts of conspiracy to commit murder and arson, money laundering, tax fraud, filing a false tax return, and impeding and impairing the collecting of federal taxes, all in furtherance of the Enterprise's common goals and ultimate plan of launching an attack on America.	
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EXHIBIT "B"

RICO STATEMENT

<i>Federal Insurance Company, et al. v. al Qaida et al., 03cv6978 Plaintiffs</i>	Paid to Date
ALLSTATE INSURANCE COMPANY	\$12,945,647.78
AMERICAN ALTERNATIVE INSURANCE CORPORATION	\$2,590,862.56
AMERICAN EMPLOYERS' INSURANCE COMPANY	\$325,421.23
AMERICAN GUARANTEE AND LIABILITY INSURANCE COMPANY	\$44,407,749.17
AMERICAN ZURICH INSURANCE COMPANY	\$2,365,183.61
AMLIN UNDERWRITING, LTD.	\$66,991,142.12
ASSURANCE COMPANY OF AMERICA	\$2,417,600.19
BOSTON OLD COLONY INSURANCE COMPANY	\$5,100.00
CHUBB CUSTOM INSURANCE COMPANY	\$612,585.00
CHUBB INDEMNITY INSURANCE COMPANY	\$3,771,622.01
CHUBB INSURANCE COMPANY OF CANADA	\$44,547,557.24
CHUBB INSURANCE COMPANY OF NEW JERSEY	\$410,681.69
CNA CASUALTY OF CALIFORNIA	\$25,771.00
COLONIAL AMERICAN CASUALTY AND SURETY INS. COMPANY	\$21,400.00
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	\$1,310,819,537.70
FIDELITY AND CASUALTY COMPANY OF NEW YORK	\$79,856.00
FIDELITY AND DEPOSIT COMPANY OF MARYLAND	\$7,636,903.02
GLENS FALLS INSURANCE COMPANY	\$36,239.00
GREAT LAKES REINSURANCE U.K. PLC	\$57,682,223.62
GREAT NORTHERN INSURANCE COMPANY	\$598,520,989.15
HISCOX DEDICATED CORPORATE MEMBER, LTD.	\$228,774,228.62
HOMELAND INSURANCE COMPANY OF NEW YORK	\$210,670.75
MARYLAND CASUALTY COMPANY	\$448,063.19
NATIONAL BEN FRANKLIN INSURANCE COMPANY OF ILLINOIS	\$6,442.00
NORTH RIVER INSURANCE COMPANY	\$3,405,966.77
NORTHERN INSURANCE COMPANY OF NEW YORK	\$1,288,908.39
ONE BEACON AMERICA INSURANCE COMPANY	\$85,101.50
ONE BEACON INSURANCE COMPANY	\$185,924,621.93
PACIFIC INDEMNITY COMPANY	\$20,917,471.59
SENECA INSURANCE COMPANY, INC.	\$4,039,407.18
STEADFAST INSURANCE COMPANY	\$392,783.63
THE CAMDEN FIRE INSURANCE ASSOCIATION	\$76,620.00
THE PRINCETON EXCESS & SURPLUS LINES INSURANCE COMPANY	\$3,796,292.50
UNITED STATES FIRE INSURANCE COMPANY	\$75,434,277.11
VALIANT INSURANCE COMPANY	\$3,500.00
VIGILANT INSURANCE COMPANY	\$41,781,107.08
ZURICH AMERICAN INSURANCE COMPANY	\$783,686,766.26

**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 Abdul Rahman Alamoudi
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This document relates to: Federal Insurance Co. v. al Qaida
03 CV 06978 (RCC)

**RICO STATEMENT
APPLICABLE TO ABDUL RAHMAN ALAMOUDI**

Based on information currently available, plaintiffs submit this RICO statement pursuant to the Case Management Order dated June 15, 2004 for defendants

- Abdul Rahman Alamoudi

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 Abdul Rahman Alamoudi (“Alamoudi”) 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
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
mid-1990s to 9/11/2001	Alamoudi	Throughout this period, Alamoudi conspired to support terrorism and to obfuscate the roles of the various participants and conspirators in Radical Muslim Terrorism, which conspiracy culminated in the Attack.
late 1990s to 9/11/2001	Alamoudi	Alamoudi 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, 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 supplied by

		Alamoudi
mid-1990s to 9/11/2001	Alamoudi	Alamoudi 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. 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 Radical Muslim Terrorism.

(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 the defendants, including Alamoudi, to surreptitiously provide funds to terrorist organizations, including al Qaida, which conspiracy culminated in the Attack.

6.

(a) The enterprise (the “Enterprise” or “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 Arab regimes that are not true to Islam; and (iii) punishing Israel, and the United States for its perceived support of Israel. 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. Alamoudi fits neatly into this framework by raising funds for and providing funding to and otherwise providing material support for the members of the Enterprise who engaged in the Attack.

- (c) no.
 - (d) Alamoudi is associated with the Enterprise.
 - (e) Alamoudi is a member of the Enterprise, and is separate and distinct from the Enterprise.
 - (f) Alamoudi 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 Alamoudi is separate from the existence of 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 Alamoudi funds 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 funded 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 Alamoudi, 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. 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 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 Alamoudi, and laundered funds from Islamic so-called charities and corporations. The financial facilitators also 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 with 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 Alamoudi. Indeed, the Enterprise would not have been successful without the enthusiastic participation of all of the conspirators, including Alamoudi. 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 people like Alamoudi. Alamoudi, 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. Alamoudi 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".

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
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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
Alamoudi	Alamoudi used his control of Taibah International, Success Foundation and the Happy Hearts Trust to funnel money to al Qaida through various al Qaida funds, including the designated terrorist organizations Global Relief Foundation and The Foundation for Human Rights and Humanitarian Relief, which supported al Qaida operatives associated with the millennium bombing plot.	1962(c) 1962(d)