



U.S. Immigration
and Customs
Enforcement

News Release

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EGYPTIAN CONVICTED OF LYING ABOUT BUSINESS DEALS WITH SENIOR LEADER OF HAMAS

-- Conviction Follows ICE, IRS, FBI Investigation in Northern Virginia--

WASHINGTON, D.C. - Michael J. Garcia, the Department of Homeland Security Assistant Secretary for U.S. Immigration and Customs Enforcement (ICE), and Paul J. McNulty, the U.S. Attorney for the Eastern District of Virginia, announced that late yesterday a federal jury in Alexandria, Virginia, convicted Soliman S. Biheiri of one count of making false statements under oath in violation of Title 18 USC Section 1001.

"Today's conviction is an important step in our efforts to root out those who illegally conceal their ties to known terrorists. By lying to ICE agents, Soliman Biheiri sought to hide his extensive business and social relationship with a U.S.-designated terrorist and leader of Hamas," said Assistant Secretary Garcia.

After a few hours of deliberation, the federal jury found that Biheiri, a 52-year-old native of Egypt, had engaged in business transactions in the 1990s with Mousa Abu Marzook, a designated terrorist and a leader of Hamas, and had lied about that business relationship to ICE agents.

Federal prosecutors argued that Biheiri had deliberately deceived ICE agents during a June 15, 2003 interview in which he told agents he had no business or personal ties to Marzook, after arriving at Dulles International Airport on a flight from Cairo, Egypt.

At trial, the government presented evidence indicating that Biheiri managed funds for Marzook both before and after Marzook was designated as a terrorist by the U.S. government in August 1995. Specifically, the government presented files seized from the hard drive of Biheiri's personal computer showing that Marzook invested \$1 million in projects managed by Biheiri and his now defunct Islamic investment firm BMI, Inc.

Biheiri had been charged on May 6, 2004 in a three-count federal indictment in the Eastern District of Virginia. Count One charged him with making false statements to ICE agents regarding Marzook. Count Two charged him with making false statements about his relationship with Sami Al-Arian, who has been charged in the Middle District of Florida with conspiracy to provide material support to Palestine Islamic Jihad, a designated terrorist organization. Count Three charged Biheiri with fraudulently procuring a U.S. passport.

In early October 2004, Count Two of the indictment, which pertained to Sami Al-Arian, was dismissed. On October 6, 2004, Biheiri pleaded guilty to fraudulently procuring a U.S. passport. A jury trial then

commenced on the charge relating to Biheiri's statements about his relationship with Mousa Abu Marzook -- ultimately resulting in Biheiri's conviction.

A sentencing hearing for Biheiri has been scheduled for October 29, 2004 in U.S. District Court.

This case was investigated by the Department of Homeland Security's U.S. Immigration and Customs Enforcement (ICE), the U.S. Treasury Department's Internal Revenue Service (IRS); and the Federal Bureau of Investigation.

#ICE#

U.S. Immigration and Customs Enforcement (ICE) is the largest investigative arm of the Department of Homeland Security.