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MFR030/0913

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Memorandum for the Record

Event: Interview of [REDACTED]
Type of Event: On-the-Record Interview
Date of interview: 10/28/03
Date memo prepared: 10/31/03
Special Access Issues: None
Prepared by: John Roth
Team Number: 4
Location: Minneapolis FBI field office, 11th floor conference room
Classification: Secret
Present, non-Commission: Pat O'Brien [REDACTED]
Participants-Commission: Serena Wille, John Roth and Doug Greenburg

This memorandum provides a summary of the most important points covered in the above-entitled interview, but is not a verbatim account. The memorandum is organized by subject and does not necessarily follow the order of the interview. The witness provided all of the information in this memorandum during the interview, except where noted by square brackets. (U)

Background

[REDACTED] was the initial case agent on the criminal side of the Barakaat investigation. She has a BA in history from Colorado College and earned a Masters in Public Administration from the University of Colorado in 1988. She entered the FBI in May of 1990 and spent the first two years investigating white collar crimes. In 1992, she joined the intelligence side of the FBI, doing a combination of terrorism and foreign counter-intelligence (FCI). In March of 2002, when the terrorism and FCI functions in the office were split, she began doing FCI work exclusively. (U)

Pre-9/11 Barakaat investigation

She was assigned the Barakaat case in early 2001, when her supervisor, [REDACTED] assigned her to it. The purpose of her being assigned to it was to ensure that there was a "wall" between the intelligence and law enforcement investigations. The case arose out of an intelligence investigation of AIAI. In order to ensure proper separation, a separate case agent had to be assigned to the criminal case. She understood the wall to prevent the criminal side from sharing grand jury information (including analysis derived from grand jury information, such as schedules and analysis of bank records) as well as Title III electronic surveillance information. She could provide non-grand jury material, such as source reporting and pen register information. The intelligence side, in turn, could provide nothing to the criminal side. Upon questioning, [REDACTED] stated that the criminal investigators could not even be directed to specific telephone numbers or other areas of inquiry, even if the intelligence information or sources and methods had been stripped away. [Author note: [REDACTED] the intelligence agent on the Barakaat, contradicted this

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point.] [redacted] understood the purpose of the wall as to prevent an unfair advantage, in that the intelligence side collection was considered "easier taking." [redacted] while she understood the procedures, said she never understood the rationale for the procedures. She stated that she learned about the wall from briefings she received from the FBI's National Security Law Unit during conferences. (S)

[redacted] stated that she did not see any intelligence regarding Barakaat, except receiving information in the most general sense that UBL was believed to have been an early investor in Barakaat, and that a portion of the transmission fees were to have been skimmed off to AIAI members and some of that ultimately forwarded to Usama bin Laden. (S)

Shortly after being assigned [redacted] found out that there was an ongoing Customs/IRS investigation, and worked closely with them. This case was developed primarily out of the numerous suspicious activity reports that had been generated by banks regarding the Barakaat financial transactions. [redacted] found out that the other agencies had "tons" of bank records, already subpoenaed through grand jury subpoenas, and IRS analysts were in the process of being scheduled into spreadsheets. They did not obtain the records of the Barakaat entities themselves until search warrants were executed during the November 2001 designations. She described the working relationship with the other agents as "fabulous," and the agents shared the burden equally. The working conditions were difficult because there was no collocated space, so it was hard for everyone to get together to work on the case. [redacted] had no recollection of the 13-month delay in getting approval to brief the AUSA handling the criminal case on the intelligence information about Al Barakaat. See [redacted] MFR. (U)

The strategy in the criminal case was to try to gather evidence and gain an understanding of where the money that Barakaat was sending was going, and to determine whether it was being used to support terrorism. Part of the mission would be to provide whatever they could to [redacted] to support the intelligence case. The focus was on the employees and owners of the three Barakaat outlets in Minneapolis. Prior to 9/11, the investigators were "still trying to find out what we had." There had been no discussion with the US Attorney's Office (USAO) regarding specific charges, and she could not recall discussing at that time a material support of terrorism charge. She was looking more toward "nickel and dime" fraud cases. There was no consideration of structuring prior to 9/11, because Customs knew from prior experience that the USAO would decline a pure structuring case. That changed after 9/11. She had a good working relationship with the USAO, who would provide support and whatever legal process was needed, but was not otherwise directly involved in the investigation. (U)

One difficulty was that it was almost impossible to trace the money once it left the United States. Once the money went to the [redacted] the investigators lost the trail. Customs was working on a Mutual Legal Assistance Treaty (MLAT) request to the [redacted]. The MLAT had not been completed by 9/11. One of the problems with the MLAT request was that it would have required the disclosure of sensitive information to a foreign government. The

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US would not be able to trust the government or have control over the further dissemination of the information. (U)

[redacted] in the course of the criminal investigation, had two confidential sources who were providing information on al-Barakaat that confirmed that Barakaat was siphoning off money to AIAI. The sources also indicated that one could not be a Barakaat representative unless one was also a member of AIAI. Her confidential sources, however, did not have direct knowledge of that and were simply repeating what was knowledge within the Somali community. The information obtained from these sources was not sufficient to bring an indictment.¹ She was confident in her sources, both pre and post 9/11, and put credence in what they were saying. Although they were not polygraphed, it was the same type of information that they were getting from other sources (including from the intelligence side sources, she later found out), she had "backgrounded" them well, and would test their credibility by asking them questions that she already knew the answer to. (S)

Barakaat was moving significant amounts of money overseas, and to [redacted] it was improbable that the relatively low-skilled worker Somali community in Minneapolis, although large, could have been deriving that money through legitimate wages. She believed that some of that money must have been derived through fraud. (U)

At an April or May 2001 meeting of Barakaat investigative agents from around the country, hosted by Minneapolis, no specific investigate plan or strategy was devised, but all involved resolved to share information. (U)

Post 9/11 investigation

After 9/11, [redacted] was directed by [redacted] and [redacted] to work full time on Barakaat. After 9/11, "all bets were off," and they started considering a structuring change, considering search warrants on the businesses themselves, and put up a number of pen registers. She noted that the Customs agent started taking more direction from her headquarters on the case. Additionally, the Barakaat investigators had more personnel, more support and collocated office space. Once the wall came down, [redacted] was able to look at the intelligence file. Where there were no specific leads that resulted from this, it gave her a better perspective and understanding of the terrorist connections, and helped her to work harder. (S)

[redacted] had minimal dealings with headquarters, although went to a headquarters meeting at FRG, where she recalled FinCEN making a presentation. She also sent reports to the FRG throughout the post 9/11 period. She had no communication with headquarters regarding the [redacted] in November of 2001. (She was off the case by the time of the second [redacted] [redacted] recalls a headquarters meeting regarding Barakaat attended by FBI agents from Kansas City, Columbus, Seattle, San Diego, as

[redacted] also reviewed the prior criminal case on Barakaat, closed in 1998, but found nothing of substance in the file. It had been opened as a result of the numerous SARs filed by the banks, but there had not been much further investigative work conducted. (U)

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well as agents from IRS, Customs, Greenquest and the FRG. She recalls that there was a lot of butting of heads between Greenquest and the FRG, mostly over "who was going to shine." She stated that her Customs agent partner was scolded because she allowed the FBI to be the affiant on the affidavit supporting the search warrants. (U)

The search warrants were executed on the houses of the principals of the business. The OFAC blocking order allowed Customs to seize everything in the businesses, a search warrant on OFAC then gave the criminal investigators the ability to access the information derived from that. She noted that someone from headquarters leaked the fact that Barakaat was going to be searched prior to the takedown. The searches produced various types of business records, some of which were helpful in identifying other individuals involved. (U)

Ultimately, they were never able to make a case on Barakaat. She could follow the money to [redacted] but then she could never find out what happened to it. [redacted] indicated that this was a problem with all hawallas and with NGOs generally. Obtaining information from overseas was problematic because you could be never sure whether you could trust the other country. (U)

[redacted] left the case in March of 2002, when she returned full time to FCI duties as a result of the reorganization. At the time she left, she understood that other hawaladars had taken the place of the individuals she was investigating and that the players had changed. (S)

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