

## **Department of Justice**

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### **Two Charged with Conspiring to Act as Unregistered Agents of Pakistani Government**

WASHINGTON – Two individuals have been charged with participating in a long-term conspiracy to act as agents of the Pakistani government in the United States without disclosing their affiliation with the Pakistani government as required by law.

The charges were announced by Lisa Monaco, Assistant Attorney General for National Security; Neil MacBride, U.S. Attorney for the Eastern District of Virginia; and James McJunkin, Assistant Director in Charge of the FBI Washington Field Office.

Syed Ghulam Nabi Fai, 62, a U.S. citizen and resident of Fairfax, Va., and Zaheer Ahmad, 63, a U.S. citizen and resident of Pakistan, are charged in a one-count criminal complaint in the Eastern District of Virginia. The complaint alleges that the defendants have conspired to: 1) act as an agent of a foreign principal without registering with the Attorney General in violation of the Foreign Agents Registration Act (FARA); and 2) falsify, conceal, and cover up material facts they had a duty to disclose in matters within the jurisdiction of Executive Branch agencies of the U.S. government.

Fai was arrested this morning. Ahmad remains at large and is believed to be in Pakistan. Both face a potential sentence of five years in prison if convicted.

“FARA is designed to ensure that the U.S. government and American public know the underlying source of information and identity of persons attempting to influence U.S. policy and laws. The defendants are accused of thwarting this process by concealing the fact that a foreign government was funding and directing their lobbying and public relations efforts in America,” said Assistant Attorney General Monaco.

“Mr. Fai is accused of a decades-long scheme with one purpose – to hide Pakistan’s involvement behind his efforts to influence the U.S. government’s position on Kashmir,” said U.S. Attorney MacBride. “His handlers in Pakistan allegedly funneled millions through the Kashmir Center to contribute to U.S. elected officials, fund high-profile conferences, and pay for other efforts that promoted the Kashmiri cause to decision-makers in Washington.”

“Foreign governments who try to influence the United States by using unregistered agents threaten our national security,” said FBI Assistant Director in Charge McJunkin. “Mr. Fai’s alleged conduct illustrates the risk to our fair and open government. The charges underscore the dedication of Special Agents who enforce laws - like the FARA violations charged here - that are designed to detect and defeat those who attempt to surreptitiously exert foreign influence on our government by using agents who conceal their foreign affiliations .”

According to an affidavit filed in support of the criminal complaint, Fai serves as the director of the Kashmiri American Council (KAC), a non-governmental organization located in Washington, D.C., that was founded in 1990 and also goes by the name “Kashmir Center.” The KAC describes itself in educational materials as a “not-for-profit organization dedicated to raising the level of knowledge in the United States about the struggle of the Kashmiri people for self-determination.”

The affidavit alleges that, although the KAC held itself out to be a Kashmiri organization run by Kashmiris and financed by Americans, the KAC is one of three “Kashmir Centers” that are actually run by elements of the Pakistani government, including Pakistan’s military intelligence service, the Inter-Services Intelligence Agency (ISI). The two other Kashmir Centers are in London, England, and Brussels, Belgium.

According to the affidavit, a confidential witness told investigators that he participated in a scheme to obscure the origin of money transferred by Pakistan’s ISI to Fai to use as a lobbyist for the KAC in furtherance of Pakistani government interests. The witness explained that the money was transferred to Fai through Ahmad, an American living in Pakistan. A second confidential witness told investigators that the ISI created the KAC to propagandize on behalf of the government of Pakistan with the goal of uniting Kashmir. This witness said ISI’s sponsorship and control of KAC were secret and that ISI had been directing Fai’s activities for the past 25 years.

When questioned by the FBI about these relationships in March 2007, Fai allegedly stated that he had never met anyone who identified himself as being affiliated with the ISI. In March 2010, the Justice Department sent Fai a letter notifying him of his possible obligation to register as a foreign agent with the Justice Department. In his written response to the Justice Department, Fai asserted that neither he nor KAC had ever engaged in any activities for or provided any services to Pakistan or any foreign entity. In a March 2011 interview with the FBI, Fai again denied having any relationship with anyone in the Pakistani government.

The affidavit alleges that Fai has acted at the direction of and with the financial support of the Pakistani government for more than 20 years. The affidavit alleges that four Pakistani government handlers have directed Fai’s U.S. activities and that Fai has been in touch with his handlers more than 4,000 times since June 2008. Fai’s handlers have also allegedly communicated with Ahmad regularly.

For example, the affidavit alleges that Fai repeatedly submitted annual KAC strategy reports and budgetary requirements to his Pakistani government handlers for approval. One document entitled “Plan of Action of KAC / Kashmir Center for Fiscal Year 2009” laid out Fai’s intended strategy to secure U.S. Congressional support in order to encourage the Executive Branch to support self-determination in Kashmir; his strategy to build new alliances in the State Department, the National Security Council, the Congress and the Pentagon, and to expand KAC’s media efforts.

According to the affidavit, Fai also set forth KAC’s projected budgetary requirements from the Pakistani government for 2009, including \$100,000 for contributions to members of Congress.

There is no evidence that any elected official who received financial contributions from Fai or the KAC was aware that the money originated from any part of the Pakistani government.

According to the affidavit, Fai and the KAC have received at least \$4 million, from the Pakistani government since the mid-1990s through Ahmad and his funding network. The money is allegedly routed to Fai through Ahmad and a network of other individuals connected to Ahmad. Ahmad allegedly arranges for his contacts in the United States to provide money to Fai in return for repayment of those amounts in Pakistan.

To date, neither Fai, nor Ahmad, nor the KAC has registered as an official agent of the Pakistani or Kashmiri governments with the Attorney General as required by FARA.

This investigation is being conducted by the FBI's Washington Field Office. The prosecution is being handled by Assistant U.S. Attorneys Gordon Kromberg and Daniel Grooms of the U.S. Attorney's Office for the Eastern District of Virginia and Trial Attorney John Gibbs of the Counterterrorism Section of the Justice Department's National Security Division.

The public is reminded that an indictment and criminal complaint contain mere allegations and that defendants are presumed innocent unless and until proven guilty.