

INTERNAL COLONIALISM AND SOCIAL CONTROL IN AGE OF TERROR: THE FBI'S
WAR ON ISLAMIC CHARITIES FOLLOWING THE SEPTEMBER 11TH ATTACKS OF
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The undersigned, appointed by the dean of the Graduate School, have examined the thesis entitled

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Professor Clarence Lo

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This thesis is dedicated to my wife and son and to the innocent, often unrecognized victim's of state repression everywhere.

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ABSTRACT

Shortly after the September 11th attacks of 2001, the United States Government launched an effort to fight terrorism at home and abroad. In their domestic efforts they depended heavily upon the Federal Bureau of Investigation (FBI) to carry out their mission of shutting down potential terrorist supporters in the United States. The FBI especially targeted Islamic charities suspected of funding terrorism. I explore the efficacy of that strategy at both the level of law enforcement as initiated by the Treasury Department, the Justice Department and the FBI, and at the level of the courtroom where the prosecution attempts to complete the state's efforts by securing criminal convictions.

While the stated goal of the U.S. government is to curtail funding for global terror, this thesis questions whether that manifest function is being accomplished by contemporary policy. Instead I argue that the present targeting of Islamic charities does little to reduce the threat of terrorism, but instead serves to provide therapeutic symbolic victories that also serve the latent functions of quelling political dissent with U.S. policy, maintaining a racial state, and preserving the primacy of U.S based global capital in the world economy. In addition, the thesis looks at how the prosecution of the nation's largest Islamic charity, The Holy Land Foundation for Relief and Development, followed these themes, but unexpectedly ended in failure for the U.S. government's case which ended in mistrial.

INTRODUCTION: THE STATE RESPONSE TO 9/11

On September 11th, 2001 radical Islamic terrorists commandeered four airplanes and spectacularly attacked iconic symbols of American financial and military power with simultaneous assaults on the World Trade Towers and the US Pentagon. In the immediate aftermath of the September 11th attacks, The United States government launched an ambitious campaign to bolster homeland security and to curtail the terrorist threat by tightening control over political dissidents and Arab and Muslim minorities within the United States. Through the Department of Homeland Security and the Federal Bureau of Investigations, intense efforts were implemented to locate suspected terrorists and to shut off the funding pipeline for global terrorism originating within the United States. The United States Government's response to the terrorist attacks was multifaceted, and it combined attacks on Afghanistan (and later Iraq) abroad with a tightening of law enforcement measures to address the threat at home. Quickly, the country went to war and passed counter-terror legislation designed to reduce the threat of a future terrorist attack on American soil.

Casting the Dragnet for Enemies Within

Shortly after the September 11th attacks, the U.S. federal government launched a law enforcement offensive designed to shore up homeland security and to reduce the terrorist threat. From the outset the government sought to demonstrate its zeal towards addressing the threat of terrorism posed by hidden enemies lurking in the shadows on American soil. Homeland Security and a number of other organizations coordinated efforts to search out and locate suspected terrorists and they sought to shut down funding sources used to sponsor global terrorism. Exceptional new measures were undertaken to address the threat, such as authorizing extensive

wiretaps, conducting mass arrests and mandating special registration requirements for Arab and Muslim immigrants (Cainkar, 2006, p. 255). The dragnet spread from coast to coast, from the shadow of the rubble in New York City, to heavily Arab communities like Dearborn, Michigan to San Francisco's downscale tenderloin neighborhood. Racial and ethnic profiling at airports was implemented and quickly thousands of Muslims, South Asian and Middle Eastern men were detained by the police, the FBI, and immigration officials and held in prisons or detention centers (Mathur, 2006; Cainkar, 2006). By May 2003, nearly 15,000 Muslims and Arabs were deported for Visa violations, although none were charged specifically with criminal offenses directly related to terrorism (Cainkar, 2006, p. 257). Casting the net far and wide, the administration sought to hamper Islamic charities from serving as front groups or financiers for terrorism. In these efforts it turned primarily to the Federal Bureau of Investigation or FBI.

FBI Raids Past and Present

Since September of 2001, the FBI has led the domestic ground war on terror financing by raiding or shutting down over a dozen charities, though to date no direct links have been substantiated between any of the charities and the September 11th attacks. Most of the arrests made have been for minor visa violations or for other crimes unrelated to terrorism such as bypassing the economic sanctions imposed upon Iraq during the 1990s. Although the current official rationale for the FBI raids is articulated as an effort to defend the homeland from terrorism, historical examples illustrate that the FBI has used similar tactics in the past to disrupt political dissent, especially targeting civic leaders and prominent members of selected minority groups, through programs like COINTELPRO (Churchill and Vanderwall, 1990. Blackstock, 1975). Contemporary policy resembles a political reincarnation of past policies like COINTELPRO that were used to neutralize dissent in Black, Native American and Puerto Rican

communities in the 1960s and 1970s and to disrupt the anti-war movements in the 60s, 70s and 80s (Glick, 1989; Churchill and Vanderwall, 1988). Activists Ward Churchill and Jim Vander Wall have provided copious documentation of FBI abuses in *Agents of Repression: The FBI's Secret Wars Against the Black Panther Party and the American Indian Movement* (Churchill and Vanderwall, 1988). Several other accounts document FBI repression ranging from unlawful spying to premeditated murder (see for example Hendricks, 2006; Davis, 1997; Matthieson, 1992; Churchill and Vanderwall, 1988, 1990; Theoharis, 1991; Glick, 1989; Theoharis and Cox, 1988; Donner, 1980; Goldstein, 1978; and Blackstock, 1975) .

PURPOSES STATED AND THOSE LEFT UNSAID: MANIFEST AND LATENT FUNCTIONS

The manifest function of raiding Islamic charities after September 11th is stated most succinctly by the US Treasury Department, which expresses that the rationale for targeting charities is that "terrorists get money from charities which collect funds under the guise of helping the impoverished." (US Treasury Dept web page accessed 10/22/2007). President Bush's bluntly worded assertion that by shutting terror networks down financially, "we disrupt murderer's work" underlies the state's case for pursuing charities (Warde, 2007b. p. 95). Within this context, shutting the doors of Islamic charities is implicitly viewed as part of a campaign to deny terrorists the resources they need to carry out their malevolent plans. However more complex functions underlie the government's strategy and I will attempt to show that the FBI's raids and the subsequent trials surrounding them were not only designed to reduce the threat of another terrorist attack but also served several latent functions. I will attempt to demonstrate that the FBI raids also served the political purpose of preserving the existing political order, served the racial purpose of upholding the racial state, and served the economic purpose of facilitating

the continuation of US-based “disaster capitalism” that allowed private interests to capitalize on human tragedy for profit (for a detailed discussion of “disaster capitalism” see Klein, 2007). I will also illustrate by following the example of the Holy Land Foundation for Relief and Development trial, how these latent functions have played out through prosecutorial strategy in an FBI raid that went to trial, and how it has proven unexpectedly difficult for the government to prosecute terror financing cases as American jurors have thwarted their efforts by failing to accept the government’s portrayal of Islamic charities’ as playing a meaningful role in terror financing.

Making Extraordinary Measures Ordinary: Normalizing the State of Exception

According to Max Weber the state is an entity that can claim a monopoly on the legitimate use of force (Weber, 1919). This is as true of liberal democracies as it is of illiberal dictatorships, although the legitimation processes may differ profoundly. However, increasingly the distinction between democracies and dictatorships are being blurred in practice although perhaps not in rhetoric. For example, President Bush used the terrorist attacks of September 11th, 2001 to increase state power and claim a “state of exception”, initiating extraordinary measures, with legislative approval, such as enhanced wiretapping, conducting mass arrests, and expanding racial and ethnic profiling, including mandating special registration for Arab and Muslim immigrants (Cainkar, 2006, Agamben, 2005). A state of exception is invoked by the government in times of emergency whereby citizenship and individual rights can be questioned and denied in the process of declaring an urgent need to extend the power of government (Agamben, 2005).

Declaring a state of exception allows the state to invest unprecedented power and authority in the government, and although ostensibly intended to be a temporary expansion of

authority, in practice, invariably states of exception become permanent or semi-permanent models of repression. For example, under Hitler's direction, Germany's Nazi regime imposed a state of exception that lasted twelve years during the 1930s and 1940s. "In this sense, modern totalitarianism can be defined as the establishment, by means of the state of exception, of a legal civil war that allows for the physical elimination not only of political adversaries but of entire categories of citizens who for some reason cannot be integrated into the political system" (Agamben, 2005 p. 2). Through this process the executive branch becomes all powerful, and begins exercising extrajudicial authority, operating essentially outside the law. This state of emergency or crisis can then be used to justify a prolonged state of authority which then operates to remove individuals of their citizenship. For example, in post 9-11 America, Bush's Justice Department dramatically diminished the legal rights of the individual. The United States government's response to September 11, 2001, has been to legitimize a "state of exception" for an indefinite period of time through laws like the USA PATRIOT Act and through measures like expanding wiretap authority and suspending habeas corpus, which have led to the de facto permanent installment of emergency measures designed to strengthen the power of the state and to curtail the rights of individuals.

While critics have charged that measures like the PATRIOT Act are unparalleled in draconian scope it should be noted that the Bush administration's approach is not historically unique in adopting repressive domestic measures to address a perceived threat to national security. Several U.S. Presidents have adopted restrictive measures to scale back individual rights during real or perceived states of emergency. As early as 1798, John Adams and the Federalists passed the Alien and Sedition Acts which imposed limitations on anti-government speech, made it easier to deport resident aliens, and made obtaining US citizenship more difficult

(<http://www.loc.gov/rr/program/bib/ourdocs/Alien.html>). During the Civil War, Abraham Lincoln suspended the writ of habeas corpus. The Palmer Raids authorized by Woodrow Wilson during World War I and the internment of Japanese-Americans under FDR's executive order during World War II were of greater scope and consequence in denying civil liberties to broad segments of the population than the measures undertaken by the Bush administration in the wake of September 11th.

While such emergency measures might only be tolerated by democratic citizens in times of crisis, crises can be invoked with frequency and as such declaring a state of exception has increasingly become normalized and unexceptional, and is becoming characteristic of "liberal democracies" (Newman and Levine, 2006). Liberal states now simply vote themselves the authority to eliminate basic civil rights and deny due process under the pretext of providing security (Newman and Levine, 2006). Paradoxically, under a state of exception, democracy is used as a signifier to perpetuate war and to justify repression. Politics is collapsed into repression and the democratic state orchestrates violence, repression and terror allegedly to combat violence, repression and terror. The state operates both within and outside the law and by decree declares detainees to have no legal status, subjecting them to arbitrary imposition of unhindered state power (Newman and Levine, 2006 p. 28).

The Bush administration with widespread bipartisan support from Congress has essentially placed the population under suspicion and surveillance indefinitely. The state has criminalized large segments of the population under its self proclaimed authority to fight the "war on terror". Central to Washington's new strategy has been an internal campaign directed by the FBI to target and disrupt Islamic charities with the stated goal of cutting off the "oxygen of

terror”, while the state expands its powers by declaring a state of exception. Former, British Prime Minister Margaret Thatcher famously dubbed publicity the oxygen of terror, whereas the Bush administration has modified the metaphor to refer to clandestine financial support as the oxygen that sustains terror. In either case, the democratic state regards stepped up law enforcement and scaled back liberties as a means to deprive terrorism of the oxygen it needs to survive.

Defining and Targeting the Other: Deviance Narratives and Worthy Targets

Highly visible FBI raids help us examine the state's repressive strategy, and enable us to locate patterns and to develop a typology of “worthy targets”. How successful has the strategy been and who has been targeted? A careful look at the FBI's post 9-11 counterterrorist operations will help us answer these questions. Are the investigations making the world safer from global terror and are the terrorists being rooted out and their funding being disrupted? To answer these questions, we will examine the primary targets of FBI investigations, the results, and the apparent effects of the FBI's counterterrorist efforts from the arrest stage through the trial stage.

In David Cunningham and Barb Browning's recent research on FBI behavior towards the new left in the 1960s and 1970s, the author's note that in counterintelligence missions, agents were required to identify suspects from a very nebulous class of perceived threats (Cunningham and Browning, 2004). In the absence of observable criminal activity, the bureau often defined "worthy targets" for counter-intelligence through deviance narratives; In the case of the new left, any observable act of deviance, such as homosexuality or sexual promiscuity, could be used to justify enhanced surveillance even without any indication of criminal wrongdoing or criminal intent (Cunningham and Browning, 2004). While the FBI investigation of the new left focused

on sexual promiscuity, unlawful drug use, or profanity, today's counterterrorist deviance narratives focus on different themes relating to perceptions about what forms of deviance warrant targeting contemporary potential subjects for scrutiny and repression. In the case of post September 11th America it would appear that Islamic charities, particularly those that provide assistance for occupied populations, have fallen under the umbrella of perceived deviance.

In the case of American Muslims, deviance narratives begin by constructing anti-war critics, Iraqi-Americans, opponents of Iraqi economic sanctions, or supporters of Palestinian rights as deviant potential terrorists who deserve to be subjected to state surveillance, asset confiscation and in many cases arrest and detention. In the post 9/11 climate, deviance can be derived through guilt by association contacts, overstaying a visa, or speaking any rhetoric that appears anti-American or anti-Zionist. Loyalties of Arab and Muslim Americans are suspect by default and deviance narratives take little time or imagination to construct. Authorities can find countless reasons to allocate repression to preempt a perceived threat (Cunningham, 2003).

The state's rationale for investigating charities is predicated on the plausible but unproven assumption that funds used by charitable groups are not only used to provide overseas welfare and charity, but that they also help to supply resources to support terrorists who engage in political violence. However, during the current state of exception, raids are conducted without revealing the evidence, giving the state wide latitude in subjectively selecting targets. In the post 9-11 climate, simply supporting an Islamic charity becomes a reason in and of itself to arouse the attention of the FBI and thus invites state repression. Consequently, American Muslims are forced to pay a hefty price for providing immunizations or potable water for Iraqis, food for hungry Palestinian children in Gaza, or building more hospital beds in the West Bank.

Through this conceptualization, Islamic charities have been targeted not only for the express purpose of disrupting the flow of capital to terrorist organizations, but also apparently to punish occupied populations in Palestine and Iraq in an attempt to further buttress and legitimate America's foreign policy. In this sense deviance can be not only vocal dissent against U.S. Middle East policy, but in fact any connection with humanitarian efforts that counter American global economic and military hegemony however subtly. Guilt by association alone condemns many charities to investigation and harassment, under the presumption that any association with anyone even remotely connected to terrorism is itself an act of terrorism.

In fact Muslims, Arabs and South Asians are subjected to the demands of what Steven Salaita calls imperative patriotism (Salaita, 2005). Imperative patriotism renders anyone who contests American international hegemony suspect, and when combined with an Arab or Muslim background it is almost invariably conflated with support for terrorism (Salaita, 2005). Hence, Muslims must prove their loyalty above and beyond what is required of other citizens. This dilemma was visually apparent with the exaggerated displays of American flags in Muslim Detroit and Dearborn following the September 11th attacks on US soil (Howell and Shyrock, 2003). Consequently, any Arab or Muslim who is critical of U.S. foreign policy or who seeks to support organizations that resist, explicitly or implicitly, the U.S. imperial agenda, are defined as worthy subjects for FBI harassment insofar as they deviate from the dictates of imperative patriotism (Salaita, 2005; Howell and Shyrock, 2003). While most Muslim and Arab targets in post 9/11 America are less overtly political than were the Black Panthers, the new left or the American Indian Movement (AIM) of the COINTELPRO era, their lack of support for the U.S. global hegemonic agenda, categorizes them as disloyal to the cultural mandates of imperative patriotism, and thus charitable organizations within the Arab and Muslim communities are

viewed with suspicion and treated with counterintelligence and repression. In the aftermath of 9/11, Arab and Muslim Americans have been compelled by the dictates of imperative patriotism, to repeatedly “apologize for acts they did not commit, to condemn acts they never condoned, and to openly profess loyalties that for most US citizens are merely assumed” (Howell and Shyrock, 2003). Arab Americans have been compelled to distance themselves from Arab political movements, and forced to publicly repudiate ideologies, causes, religious organizations, and viewpoints that contest the legitimacy of US foreign policy (Howell and Shyrock, 2003).

The "crimes" for which Islamic charities have been raided have included immigration violations, apparent violations of the 1990s sanctions against aid to Iraq, and cigarette smuggling, as well as allegations of funding terrorism, that remain unsubstantiated because they are concealed within the text of sealed warrants (Parry, 2004). Glimpses into government strategy from charities on trials suggest that many cases are predicated upon flimsy or even fabricated circumstantial evidence. One form of evidence has been trying to establish guilt by association, through confiscated photographs depicting charity leaders with terrorists, even though those photos predate the alleged terrorists' terror activities (Robinson, 2002). In another instance, a tape recording was falsified to attribute inflammatory statements to a Muslim suspect. The FBI's actions have led to a number of charities having their assets frozen or being run out of business, indicating the government may have expressly desired to shut down not only terrorist financial networks, but in fact charitable aid to occupied populations in general. Apparently by casting suspicion upon the major Islamic charitable organizations, the FBI has not only stifled the outflow of charitable giving but has put a chilling effect upon Muslims who might otherwise give generously (Parry, 2004). The attempt to eliminate Islamic charities, even legitimate ones, appears deliberate since the government has declined to identify charities that are not being

investigated when asked by Muslims wishing to give around Ramadan. Furthermore, many of the most significant raids conveniently took place immediately preceding the Ramadan season, thereby dampening the enthusiasm of would be givers for fear of state reprisal. By contrast, similar efforts by the FBI were not pursued when American Catholics donated to Northern Ireland during the IRA's peak period of terror, nor was much federal effort invested to cut off charitable contributions that might have fallen into the hands of pro-Zionist terrorists in the 1940s or 1960s. Muslims and Arabs have instead been singled out and tarred as a group and are being collectively punished for September 11th just as Japanese-Americans were collectively punished for the attack on Pearl Harbor.

Those in the American Muslim community who want to give to legitimate causes are receiving mixed messages from the U.S. government. They are told that if they comply with the law and operate transparently, they should be able to support Islamic charities of their own choosing even as the government shuts down Muslim charity after charity, using the flimsiest of evidence to support its actions and leading many American Muslims to question whether the government opposes all efforts to assist Muslims in need around the world (Parry, 2004). According to the former directors of the Toledo, Ohio based KindHearts charity the targeting of Muslim charities is not about the safety and security of the American people but about politics (al-Marayati and AbdelKarim, 2006).

RACIAL PROJECT WITHIN: LAW ENFORCEMENT AND NEO-COLONIALISM

While the most obvious reasons for surveillance and repression are expressed as targeting political opponents who represent a potential lethal threat to the United States, the FBI raids also reinforce the existing racial state. Federal policies designed to root out would be subversives and protect the existing political order also serve to uphold the existing racial order. State actions

perpetuate a policy of internal colonialism directed towards Arab and Muslim Americans, and current state behavior may fit an internal colonial model whereby the FBI raids can be conceived of as instruments of a neo-colonial form of internal repression designed to uphold America's neo-colonial empire (for a detailed discussion of colonialism see Fanon, 1967, 1965; for internal colonialism see Blauner, 1969). In addition, the raids and the war on terror help preserve global white supremacy and perpetuate a racial project upholding what Charles Mills refers to as "the racial contract" (Mills, 1999). Furthermore, FBI raids fit into a discourse on the war on terror and a policy paradigm that is informed, or rather misinformed, by the persistence of Said's concept of "Orientalism" in Western thought (Said, 1978). "Orientalism", involves the "subtle and persistent Eurocentric prejudice against Arabo-Islamic peoples and their culture." (Said, 1978). Said contends that Westerners have a poor understanding of Arab culture as exemplified in his comments that:

So far as the United States seems to be concerned, it is only a slight overstatement to say that Moslems and Arabs are essentially seen as either oil suppliers or potential terrorists. Very little of the detail, the human density, the passion of Arab-Moslem life has entered the awareness of even those people whose profession it is to report the Arab world. What we have instead is a series of crude, essentialized caricatures of the Islamic world presented in such a way as to make that world vulnerable to military aggression. (Said, 1980).

Unsurprisingly, the state of exception is furthered through Orientalist frameworks that mystify and draw a frightening portrait of the Muslim or Arab other. These Orientalist frames are promoted not only by popular media but also by an array of Middle East "experts" like Samuel Huntington, Bernard Lewis, and Thomas Friedman who push forth ideologies of Western superiority and Arab backwardness, providing the Bush administration with intellectual cover for policies of global conquest and internal repression (Friedman, 2002; Lewis, 1990; Huntington, 1993).

In addition, contemporary policy serves to construct a hegemonic discourse of the Muslim terrorist that is used to justify a broad range of initiatives designed to consolidate state power at the expense of individual civil liberties (Sheikh, 2004; Mouffe, 1979). Yet despite the oppressive nature of post 9-11 policy, the government has not conducted measures analogous to the post Pearl Harbor internment of Japanese Americans. The 21st Century apparatus of surveillance, harassment and repressive tolerance has obviated the need for concentration camps by employing a more subtle but insidious matrix of oppression that takes on post modern forms of control and replaces physical internment with internment of the psyche (for these post modern forms of social control see for example Naber, 2006; Marcuse, 1991; Foucault, 1975). FBI raids have not only impacted those directly affected, but they have also had a chilling effect on charitable giving by Muslims and disrupted Islamic communities at home and abroad. FBI policy is designed to go beyond the immediate targets of FBI raids and send a message to discipline the broader society (Foucault, 1975).

TARGETING FINANCIAL NETWORKS/CHARITIES: THE RATIONALE

Beyond the overt political justifications and the covert racialized reasons for the war on terror, lies a more deeply submerged economic project. The raids upon Muslim charities began early and became an enduring feature of the domestic campaign in the war on terror. While the FBI targeted Mosques, homes and businesses, the primary focus of their efforts turned to Islamic foundations and charities. From the outset, President Bush declared money to be the “oxygen of terror” and he launched programs like Operation Green Quest expressly to cut off that supply of oxygen (Warde, 2007). Since the Sept. 11, 2001 attacks, the U.S. government has frozen over 200 million dollars in charitable assets and shut down some of the largest U.S.-based Islamic charities (Warde, 2007). As stated earlier, according to the US Treasury Department, the

rationale for targeting charities was that "terrorists get money from charities which collect funds under the guise of helping the impoverished." (US Treasury Dept webpage accessed 10/22/2007). Suggesting an intricate web of sinister hidden finance, the FBI asserted that "terrorists are willing to go to just about any criminal length to raise money: from hawking pirated software to smuggling cigarettes...from burglarizing hotel rooms to robbing gas stations...from engaging in garden variety frauds to trafficking in illegal drugs" (FBI Law Enforcement Bulletin 3/22/2007). From the FBI's perspective, the most prevalent terrorist in the United States is not the suicide bomber or kamikaze pilot, but rather the quiet man who procures supplies and raises or moves terrorist funds (Bald, 2004). Psychologically, these kinds of pronouncements helped to nurture the post 9-11 climate of fear by implying that terrorist supporters lurked in every community in America ready to help unleash the next dastardly terrorist deed. In addition, each arrest or raid in a small community exhibited a measure of symbolic vigilance that paradoxically heightened public fears while simultaneously reassuring us that the heavy handed tactics of federal agencies were keeping us safe from the next 9-11 style attack.

Critical to the government's approach is an attempt to prevent financial transactions from being funneled to terrorists either through formal charitable contributions or the informal Muslim hawala banking system (Atia, 2007). In the course of the six years since the September 11th attacks, over a dozen major Islamic charities have been raided, investigated or shut down by the FBI. Included among the charities have been some of the nation's largest Islamic charities such as the Holy Land Foundation and Life for Relief and Development. Other charities that have been targeted include The Islamic American Relief Agency, The Global Relief Foundation, Benevolence International Foundation, Help the Needy, The World Assembly of Muslim Youth,

the Islamic Assembly of North America and the Muslim World League. In addition to shutting down charity offices, the FBI targeted charity employees and donors as well. Even in small college towns like Columbia, Missouri and Moscow, Idaho, the FBI conducted raids on homes of Islamic or Arab suspects whose suspected transgression was connected to charitable giving (Kravitz and Scianna, 2006; Hubbell, 2003). Quickly a clear pattern emerged indicating that the FBI was specifically targeting Muslim and Arab charities.

RESULTS: IS THE POLICY WORKING?

As mentioned previously, since Sept. 11, 2001, over half a dozen major American Muslim charities have been shut down by design while others have lost significant funding, yet the government has achieved little success in obtaining convictions against employees or board members of those charities. Similarly, the government has been unable to clearly document a visible path showing how money from these charities actually gets into the hands of terrorists. Ironically, the State Department had even authorized some of the targeted groups as desirable conduits for funds to Iraq. While the state can tout that the scores of recent arrests have led to numerous detentions and deportations, such self-congratulation is tempered by the fact that they have failed to uncover many links to actual terrorism. What few convictions have been secured were primarily for minor immigration violations or legal technicalities rather than for violent crimes or evident plots to commit acts of terrorism. In the cases where terrorism links have been pursued by government prosecutors the evidence has been sorely lacking or fabricated rather than convincing.

For example, an investigation of Al-Barakaat involving hundreds of hours of pouring over financial records and interviewing witnesses led to nothing beyond a single charge of low-level welfare fraud (Ottaway, 2004). The Global Relief Foundation was stripped of its records

and had 900,000 dollars in assets frozen without a warrant, but has yet to be charged with any criminal offenses (Ottaway, 2004). The Islamic American Relief Agency was designated as a supporter of Al-Qaeda and its offices raided and its assets frozen but no terrorism charges substantiating a connection to Al-Qaeda were filed (Shinkle, 2005). In many cases, Islamic financial institutions were accused of ties to terrorism based on hunches or circumstantial evidence. Ignoring years of American legal precedent, the charities were essentially presumed guilty until proven innocent (Atia, 2007 Hempel and Leake, 2005). Through delegitimization and government targeting, charitable contributions to these organizations dramatically declined in the ensuing climate of repression and fear.

The government's biggest case against alleged terror financing, directed at the Holy Land Foundation, the nation's largest Muslim charity at the time, on grounds that it was a fundraising front for the Palestinian group Hamas, began to unravel when a declassified FBI summary of a wiretap transcript was found to have inserted vitriolic anti-Jewish slurs attributed to a Holy Land Foundation member that were inexplicably missing from the original verbatim transcript. The unexplained discrepancies seriously undermined the government's credibility in the largest terrorism funding case to date. A mistrial was declared in October, with the defendants being acquitted of many of the charges. A closer look at the Holy Land Foundation trial reveals much about the government's strategy in the war on terror and it reveals many of the shortcomings of the government's approach.

THE HOLY LAND FOUNDATION TRIAL

The Government's strategy against Islamic charities can be outlined through observing how the state pursued the case against the Holy Land Foundation for Relief and Development, the largest Islamic charity in the United States. Without question, the Department of Justice

viewed the Holy Land Foundation case as critical to its efforts to secure anti-terror convictions within the United States. The government built its case primarily around an argument that the Holy Land defendants were providing material support for terrorism, specifically alleging that the Holy Land Foundation violated the International Emergency Economic Powers Act by engaging in prohibited financial transactions with international terrorists (DOJ Press Release 7/27/2004). Echoing George W Bush's theme of "you are for us or against us", Attorney General John Ashcroft hailed the indictment of the Holy Land defendants in the "frontier justice" rhetoric of the administration by declaring "To those who exploit good hearts to secretly fund violence and murder, this prosecution sends a clear message: There is no distinction between those who carry out terrorist attacks and those who knowingly finance terrorist attacks. The United States will ensure that both terrorists and financiers meet the same, certain justice." (DOJ 7/27/2004).

From a sociological standpoint, the legal arguments themselves are less revealing than the rhetorical picture the prosecution tried to paint of the defendants as it relates to the broader war on terror and the latent functions described earlier. At one level the case was tried in the Courtroom, but the Holy Land Foundation case began with great fanfare from the Justice Department, the FBI, and the Treasury Department with a triumphant indictment of the defendants trumpeted as a major domestic victory in the war on terror, and as such the trial was also tried in the court of public opinion. From the standpoint of the state much more was at stake than just the trial of five defendants accused of sending funds illicitly to the West Bank and Gaza. In the symbolic politics of the era, the media depicted the Holy Land Foundation case as a trial about how to address terrorism in our midst and many Americans viewed FBI raid targets as probable front groups, with right-wing websites and blogs often inaccurately characterizing

suspects as Al-Qaeda terrorists or fifth columnists on American soil (see for example Thomas, 2007 or the *Militant Islam Monitor* from October 24, 2004).

As a case study, the Holy Land Foundation trial illuminates the government's strategy in the prosecution stage that represented the culmination of the FBI raids. The Holy Land Foundation was raided in December 2001 and eventually the government filed 197 separate counts against five Holy Land Foundation defendants. The zeal with which the government went after the Holy Land Foundation and the approach they adopted is instructive. Like most charities that were raided, the government made no effort to link the Holy Land Foundation to Al Qaeda or the September 11th attacks, but instead focused on links to aiding populations in Palestine or Iraq and on technical violations of US tax or finance laws, suggesting that in addition to the manifest purpose of targeting potentially subversive terrorist radicals, the United States may have also been concerned with restricting the flow of capital to the occupied populations in the Middle East and in preserving the racial and imperial status quo.

During the trial we can see the themes following the pattern set by the FBI, The Justice Department, and the Treasury Department of publicly contending that the prosecution is going after evil terrorists, while serving the three latent functions presented earlier. The first, attempting to eliminate political opponents of the administration who are defined as radical Islamists, included not only terrorists and their supporters, but also those who would support occupied third world peoples, in this case the Palestinians. The second, maintaining the racial state and perpetuating the climate of fear in the aftermath of September 11th to further marginalize "brown people" in America, especially those from the Middle East and Central Asia. Finally, the prosecution continued to follow the path designed to eliminate financial competitors

to the United States Empire and its corporate beneficiaries that profit from US global economic and military hegemony.

Paying careful attention to financial transactions, the state's legal case was built on trying to establish a link between the Holy Land Foundation and terrorism committed by Hamas. Financial transactions that ended up in zakat committees in Palestine were the lynchpin, and around that the prosecution looked to link the Foundation to Hamas through circumstantial evidence such as displays of pro Hamas posters, keychains and other paraphernalia found at the zakat locations (US vs. HLF 8/17/07). Unfortunately for the state, despite years of wiretap surveillance, the best the government could muster was a case built upon frightening imagery and guilt by association. The government stacked 197 separate criminal counts against the five defendants alleging a direct financial connection between the charity and terrorism that it attempted to demonstrate through a tenuous line of reasoning.

The government's approach was crafted to blur the distinction between terrorism and charity and between rhetoric and deed. Establishing guilt by association and appealing to fear were central features of the government's strategy in trying to convict the five Holy Land Foundation defendants. The Treasury Department set the discourse for the trial well in advance by contending in December 2001 that "The Holy Land Foundation masquerades as a charity, while its primary purpose is to fund Hamas" and referred to the charity as "scam artists who prey" on donor benevolence. (O'neill, 2001) Treasury Secretary Paul O'neill added, "We will continue to name the financiers of terrorism to ensure that Hamas and other terrorist organizations have no ability to finance their acts of evil. We will work with every civilized nation around the globe to ensure there is no safe haven for terrorist money. Just as in a ground war, we will win by taking one hill at a time, advancing tirelessly every day, until terrorists and

their money have nowhere to hide.” (O’neill, 2001). The prosecution in the Holy Land case reiterated that theme repeatedly trying to equate charitable donations from the Holy Land charity to material support for Hamas and by extension international terrorism. While the prosecutors did not attempt to conflate Hamas with Al Queda, they did go to lengths to try to paint the suspects as connected to a seamless web of international terrorism that could at least in the minds of jurors, conjure up images of the September 11th attacks.

Support for zakat charities was in and of itself equated with support for terror as the government prosecutors attempted to argue that money being funneled to a Palestinian hospital or an orphanage was really a pipeline for Hamas to carry out suicide bombings. Twelve million dollars sent in humanitarian aid was symbolically tarnished as marked bills earmarked for terror. Most of the Government’s case was built on the testimony of a pair of FBI agents, author Matthew Leavitt, and an anonymous Israeli agent who went by a first name (probably a pseudonym) only. The Israeli official identified only as “Avi” hammered on the theme that Hamas indoctrinated Palestinian children through *zakat* committees and he argued that because among the many things seized from the *zakat* committees were “a poster of a suicide bomber, a picture of Hamas leader Musa Abu Marzook in front of the Dome of the Rock and a flyer showing a Hamas military commander”, that in fact, the committees were controlled by Hamas (US vs. HLF 8/17/07). The prosecutors cobbled together a fragmented series of allegations and innuendo trying to link the Holy Land Foundation defendants to terrorism. Defendant Shukri Abu Baker’s words that “war is deception” obtained in a 1993 wiretap was employed as testimony that in fact, the Holy Land Foundation was practicing a war of deception, and if the government lacked evidence they could perhaps extrapolate it from those very words absent any more concrete and substantive material. The fact, that Holy Land Foundation members

participated in or watched skits in which an Israeli was killed were posited as evidence that in fact, the Holy Land Foundation was involved in killing Israelis. Pro-Hamas slogans found on videos, posters, and key chains confiscated by the Israeli military from inside some zakat offices were introduced as evidence that not only did the Holy Land Foundation sympathize with Hamas but that somehow, someway they must be involved in funding Hamas' terror efforts (US vs. HLF 8/17/07).

The prosecution used hyperbolic rhetoric to stir up fear, contending that the Holy Land Foundation defendants sought the annihilation of a civilization (US vs. HLF 9/19/07, p. 18). In a moment of perhaps unintentional frankness prosecutor Nathan Garrett argued emphatically that the case was about money, a point that not only acknowledged that the prosecution would concentrate its efforts mostly on tax fraud and "material support", but also perhaps revealed that the underlying issue was an implicit financial defense of US neo-liberal economic policies though that was of course not explicitly mentioned (US vs. HLF 9/19/07, p. 25). Trying to connect the government's resolve to eliminate the financial power of Islamic charities with the need to drum up fear, the government tried to charge the defendants with material support for terrorism and conspiracy, by a blanket definition of the material support statute asserting that "material support is goods, funds, services, here is money, cash money, but even for the charitable items, in kind items that you may believe, that too is prohibited by law. Anything, everything, going to a terrorist organization. Why? Because the law recognizes the danger of these organizations, of every component, particularly its widest and most crucial component, its base." (US vs. HLF 9/19/07, p. 58). They went on to charge that the goal of Hamas was to promote violence against children from cradle to grave (US vs. HLF 9/19/07, p. 69). Again the

rhetoric is used to pitch the theme of an omnipresent and sinister network of charitable financing for global terrorism.

The piling on of counts against the defendants may have been a way of trying to overwhelm the jury as were tapes showing the effects of Hamas suicide bombings on Israelis. The FBI had Baker wiretapped for seven years yet the best they could come up with was charitable donations to zakat committees in Palestine despite 21,000 plus days of around the clock scrutiny. The Holy Land Foundation case was built upon trying to establish a trail of financial connections linking the Holy Land Foundation to terror, coinciding with a portrayal of the charity and the zakat committees that appealed to racial stereotypes and that was designed to inflame passions by depicting Palestinian zakat committees as equivalent to Hamas cells. Portrayals of Palestinians were crafted to appeal to racial prejudices and the zakat committees were subjected to the demands of imperative patriotism. Sideshow prosecutions for money laundering, tax evasion and other technical law violations served not only to pile on charges by which to nail the defendants, but also served to reinforce the government's attempts to curtail charitable giving, for the Justice Department's war, it would appear, was not just on terrorism but on humanitarian aid as well. Punishing the occupied population in Palestine appeared to be an undeclared motive held by the Justice department. The Holy Land Foundation was subject to the dictates of imperative patriotism. Money funneled to humanitarian organizations in Palestine was treated by the prosecution not only as suspect, but as evidence that in fact, the Holy Land Foundation supported terrorism.

Attempting to mystify the jury, lead prosecutor, Barry Jonas, instructed the jury that they didn't have to remember all the names in the case, they just had to remember that the five

defendants were connected to Hamas (US vs HLF 9/17/07). In his closing arguments he seemed intent on psychologically lumping the Holy Land Foundation defendants and zakat committees with terrorists by treating them not as individuals but rhetorically appealing to subtle racial appeals:

“Now, the first point is you have heard a lot of *foreign-sounding names*. It’s understandable that you are not going to remember all of those names. You are not going to remember who those people were and what they were associated with in this trial. And I want you to know that you don’t have to worry about that. *Don’t get hung up on remembering every single name that you have heard*. For example, you have heard some of the leaders of the Jenin Zakat Committee and their names. *Don’t bother about the names*. What I want you to remember is the leaders of the Jenin Zakat Committee were HAMAS. You have heard the names of some of the speakers that the HLF brought into the United States to raise funds on behalf of the HLF. Again, *don’t worry about remembering every single speaker’s name. Just remember those speakers were members and leaders of HAMAS.*” (US vs. HLF 9/17/07, *emphasis added*) .

He then proceeded to argue that Hamas’ schools brainwash children and that whether the activities in Palestine were social, political or military, they were used to support terrorism, and that because of Hamas’ terror, Israelis have to worry with great fear and trepidation every single time they get on a bus (US vs. HLF 9/17/07). Numerous video clips were shown to try to sway jurors, including clips that showed individuals singing patriotic Palestinian songs, and others showing Palestinian children waving Palestinian flags and chanting anti-occupation slogans (US vs. HLF 9/17/07). These images were used repeatedly and though the images were not of the defendants or members of the Holy Land Foundation they were likely chosen in an attempt to exploit existing fears, by psychologically linking the defendants to visual images associated with terrorism. The imagery in turn would arouse racialized reactions from the jurors that the prosecution hoped would translate into sympathy towards Hamas’ victims that would sway the jurors towards an eventual guilty verdict. Videos made in the 1980s and 1990s before Hamas was designated a terrorist group were used by the government to malign the Holy Land

Foundation defendants. Tapped phone conversations showed defendant outrage at events in Israel/Palestine and the government attempted to portray this outrage as suggestive that the Holy Land Foundation was prone to supporting terrorism. Perhaps intentionally inducing a climate of fear, the Government's star witness, the Israeli agent who testified under a pseudonym, was flanked by a bodyguard, and an interpreter, as the courtroom was locked down for "security reasons" (Trahan, *Dallas Morning News* 10/27/2007)

However, the prosecution's case was lacking concrete evidence linking the Holy Land Foundation defendants to specific acts of terror. As the Holy Land Foundation's attorney made clear, it isn't illegal to talk about Hamas. The defense argued that their clients allegedly radical views were protected by free speech rights (US vs. HLF 9/17/2007). They were accused of funneling over 12 million dollars to Palestinian zakat charities and accused of tax fraud (Trahan, *DMN* 9/19/07). Competing narratives emerged during the course of the trial: prosecutors tried to paint the defendants as prime movers in an international terror conspiracy bent on raising millions of dollars for Hamas while the defense depicted the Holy Land Foundation as a well-meaning humanitarian organization attempting to assuage Palestinian suffering (Trahan, *DMN* 9/17/07). Central to the prosecution's case were attempts to malign donations to zakat committees. According to the prosecution, the zakat committees were staffed by Hamas members. In addition, posters glorifying suicide bombers were found on the zakat committee sites (US vs. HLF 8/17/07). In the end however, the government failed to make its case and the Holy Land Foundation trial ended in a spectacular mistrial with the defendants being acquitted on most counts, while a retrial was set for just a handful of the offenses.

In closing their case, the prosecution rather disingenuously upheld free speech backhandedly by instructing jurors that “the defendants aren’t on trial for what they are saying but by looking at what they had to say you are allowed to use that to determine what was going on in their heads” (US vs. HLF 9/17/07). But in the end, the jury was not persuaded. The Holy Land Foundation case also became noteworthy because ultimately the prosecution failed so miserably in securing convictions. How, in a conservative suburb of Dallas, Texas, in the post 9-11 climate of fear and relative intolerance towards Muslims and Arabs, did the prosecution fail to convict five suspected terrorist supporters after entering the case with great confidence? On the surface it would seem that the conservative locale and the existing political climate would provide a judicial slam-dunk, but instead the case came undone and ended in a mistrial with many of the charges ending in outright acquittal. None of the defendants were handed down significant prison sentences at the conclusion of the trial. Perhaps revealingly, the unraveling of the Holy Land case coincided with the disintegration of the Bush administration’s domestic popularity brought on in particular by diminishing support for the war in Iraq.

As the most important anti-terror financing case in the country after the 9/11 attacks, the government’s trial performance turned out to be lackluster and the arguments ultimately unpersuasive rather than compelling and lucid. One of the jurors, William Neal blasted the government’s case as shallow and politically driven and full of evidentiary leaps so large you “could drive a truck through it (the gaps)” (Trahan, DMN 10/27/07). The Holy Land case was historic insofar as it was the Justice Department’s first attempt to prove that a major US charity was a front group for overseas terrorism. Yet, the jury failed to deliver the government the symbolic victory it needed and the verdict called into question the shutting down of the Holy Land Foundation and other charities. Critics noted that millions in assets to help suffering

families in war torn areas were shut down when the Holy Land Foundation was designated a terrorist organization, and yet when it came to trial the government was unable to present evidence justifying the shut down.

While conservatives charged that the case was lost because the standards of proof are too demanding, Georgetown law professor David Cole noted that the opposite is true arguing that the “material support” law language essentially makes:

“it is a crime to give anything of value, including humanitarian aid or one's own volunteer services, to an organization the government has labeled a ‘terrorist’ group. The government claims that it is no defense that the supporter had no intent to further any terrorist conduct or even that the support in fact furthered terrorism. For all practical purposes, the law imposes guilt by association. Yet federal prosecutors have sought to stretch liability even further. In the Holy Land case, for example, the government offered no evidence that the foundation had funded Hamas, a designated terrorist organization. Prosecutors claimed instead that the foundation had supported humanitarian aid “zakat committees” in various West Bank towns and that these committees were fronts for or were associated with Hamas. But the law authorizes the government to designate front groups, and it does so regularly. To this day, the government has not designated any of the zakat committees. Yet it sought to hold Holy Land criminally responsible for providing humanitarian aid to groups that the government itself had never said were off-limits” (Cole, 2007).

In the case of the Holy Land Foundation, the government tried unsuccessfully to link the foundation to funding Hamas sponsored terrorism in Israel/Palestine. While each FBI raid and subsequent trial of an Islamic charity is met with great fanfare to imply a victory in the war on terror, the symbolic strategy contains limits and contradictions that helped the Holy Land Foundation case come apart and end in mistrial. The failure to secure convictions in the case led to further questioning of the government’s strategy and whether the state’s approach was effective in reducing the risk of terrorism, or in fact, whether the government’s approach might actually backfire and induce a backlash instead.

MANIFEST FUNCTIONS : WHAT ARE WE ACCOMPLISHING?

The failure in the Holy Land Foundation trial and similar cases brings into question the effectiveness of FBI raids targeting Islamic charities. The raids' manifest function of reducing terrorism may not be served by the current approach as it has tended to disenchant the members of the Muslim and Arab community who might otherwise be administration allies. By raiding and targeting charities and storming mosques, the FBI alienates moderate Muslims and Arabs who might otherwise cooperate in the war on terror. The raids have had a chilling effect on Muslim charitable giving and Muslims who have asked to be given a list of acceptable charities have been denied access to any such list. Many of the charities have donated generously not only to international efforts but also to national causes that benefit Americans such as aid to the families of September 11th firefighters, assistance to Iowa flood victims, and support for Hurricane Katrina survivors. Instead of supporting moderate Muslims and patriotic Arab-Americans, the FBI has contributed to a criminalization of the entire Arab-American and Muslim-American community, thus undermining its own potential for success. By alienating moderates and Muslim community leaders, the FBI is engaging in strategies that are ultimately counterproductive. The FBI raids have sparked animosity among moderate and conservative Arabs that might otherwise serve as the eyes and ears of the Muslim community and potentially thwart the next terror plot from that community, if they had better relations with the federal authorities. Illustrating the extent to which current policy has created a backlash rather than generating support is the fact that Talat Othman, a prominent Palestinian-American businessman and Republican organizer who gave the benediction at the 2000 Republican National Convention was incensed by the conduct of FBI raids in the Arab community. Othman and several other Muslim leaders had a meeting (arranged by Grover Norquist) with Treasury Secretary Paul

O'Neill in April of 2002 designed to voice their concerns over Bush administration policy regarding the investigations and raids conducted against American Muslims (Simpson, 2002).

LATENT RACIAL FUNCTIONS REVISITED: WHAT OTHER PURPOSE DO THE RAIDS SERVE?

The FBI dragnets of Islamic charities, homes and businesses were part of a package of policies that included “surveillance of Muslim neighborhoods and mosques, random questioning by the FBI of Muslim men, media vilification of Muslims and perhaps most significantly the shutting down and freezing of assets of popular Muslim charities” (Mathur, 2006). Eventually, a predictable pattern developed with a series of well publicized arrests with adroitly phrased allegations about possible links to terrorism divulged at official press conferences and repeated by wide-eyed news anchors, followed by the disappearance of the captured suspects into county or federal jail cells and out of public consciousness. Only a handful of the thousands of arrests lead to any terrorism-related charges and many of those cases failed to stand up in court. In fact, the only Muslim to be charged with any connection to the crimes on September 11th, Zacharias Moussoui was arrested prior to the spectacular attacks in August of 2001. (Mathur, 2006). The targeting of suspect communities has yielded similarly poor results worldwide when profiling by suspicion has been used as a substitute for less prejudicial but more scrupulously painstaking law enforcement. In European countries, similar profiling efforts have resulted in over 98 percent of the arrestees being released or found innocent (Hillyard, 1993). Arab neighborhoods in the United States have become communities under siege with popular hostility and racist attacks coinciding with increased repression from law enforcement agencies. Reminiscent of the World War I era Palmer Raids, the FBI's targeting of the "enemy within" has produced a myriad of

mixed results and led to bizarre Orwellian and Kafkaesque scenes where cases are held in total secrecy behind closed doors without names listed on dockets and attorneys scrambling to locate their own clients (Mathur, 2006, p. 36).

The raids also serve the latent functions of intimidating dissidents and Muslims and help further engender anti-Arab racism which damages the victims and produces an internment of the psyche (Naber, 2006). The Bush administration's deployment of fear and intimidation is an unspoken strategy for justifying policies that undermine civil liberties and human rights; silence political dissent; and legitimize violence and hatred against Muslims and Arab Americans (Naber, 2006, p. 257). This ideology is then used to promote war abroad and immigrant exclusion at home. Arab Americans have been racialized using dominant discourses about their inherent violence (Cainkar, 2006; Omi and Winant, 1993). This racialization coincides with the United States' rise as superpower and its foreign (not domestic) policy interests (Cainkar, 2006). Arabs are redefined through this discourse as violent and backwards. Their status has changed from "marginal white" to "colored other" (Cainkar, 2006; Omi and Winant, 1993). This "fall of Arabs from the graces of marginal whiteness is traceable to the emergence of the United States as a global superpower." (Cainkar, 2006, p. 249). This process leads to a delegitimation of Arab claims and to disenfranchisement of dissenting voices in order to assert informational hegemony. The FBI serves to reinforce "racial projects" and helps solidify anti-Arab backlash (Omi and Winant, 1993).

The September 11 attacks provided the catalyst for the construction of a hegemonic discourse of the Muslim terrorist (Sheikh, 2004). Racism operated both individually and institutionally in the detaining of Muslim males on minor immigration charges and their being framed as terrorists. State policies and strategies deliberately targeted Muslim males under the

rhetoric of national security. The constant parading of Muslim males in shackles in the local and national news heightened the climate of fear that made possible the abrogation of civil rights. Concerned citizens flooded FBI hotlines to report suspicious "Muslim looking males" living in their neighborhoods. Within days, every Muslim looking male was shaped into a terrorist. Hundreds of Arab and Muslims were rounded up and innocent individuals languished in solitary confinement for months without being charged with a crime much less with a felony act of terrorism. Many experienced physical and psychological abuse. Meanwhile, discriminatory US immigration policies are escalating the existing anti-American sentiment and could have a negative long-term impact on national security.

Latent Economic Functions: If it isn't Preventing Terrorism why are they doing it?

If the raids are failing to turn up terrorists and the courts are failing to convict, why does the policy continue? On behalf of state policy, federal law enforcement agencies need results in the form of public relations victories. Under the current strategy, Saudi capital and other oil derived capital from the Middle East is not threatened, but funds from wealthy Arabs can still flow to terrorists unimpeded while the government relies on demonstration raids and the scapegoating of easy targets to score symbolic victories that have little or no impact on the global spread of terrorism. The FBI raids serve primarily as therapeutic busts (Bovard, 2004). While serving little purpose in combating the actual threat of terrorism, highly visible FBI raids serve as political theater that reinforces support for state sponsored policies of repression and sustains a politically useful climate and culture of fear (Bovard, 2004). Meanwhile the impact of US domestic counter-terror policies on the 'global war on terror' and on the shadow economy in the Middle East and North African countries is counterproductive and fraught with contradictions, dysfunctions and unintended consequences. The 'national security fundamentalism' adopted in

the wake of the 9/11 attacks, and its uneasy interaction with 'market fundamentalism', reveal two major, albeit seemingly contradictory, structuring principles of the global economy. The internationalization of 'money laundering and terrorist financing', a paradigm that grew out of a specifically American context and was uncritically transposed to an entirely different environment has been discredited and the impact of the war on terror on crime and the shadow economy in the Middle East region has been dubious at best. The war on terror has created 'gated economic communities' and broadened the scope of the shadow economy (Warde, 2007b). Heavy-handed regulation, arbitrary and selective enforcement, as well as the quasi-criminalization of hawalas (informal funds transfer networks) and Islamic charities, has pushed more financial flows underground.

The keeping score logic of shutting down financial networks, appeals to an administration in need of symbolic victories. However, by forcing financial institutions to show progress, measured by accounts closed and by continuous increases in suspicious transactions reported, the process of targeting terrorist financing is highly dysfunctional and deeply politicized (Warde, 2007). Most actions are motivated not by new information about terrorist financing but by a constant broadening of the dragnet and a concomitant lowering of standards, creating a vast dot-connecting network that is politically charged and that blurs the line between rumor-mongering and intelligence gathering. In this environment, transnational flows of money are only tolerated if they connect to US supported regimes. Funds from sources unacceptable to the government in Washington, may be blocked with the explicit goal of causing human suffering and useful political instability (Howell and Shyrock, 2003, p. 453). Resistance to US policy, whether via financial transactions or political networks, is punished.

Financial liberalism has simultaneously accelerated the free flow of goods and services and facilitated the flow of dirty money. Deregulation has been a boon to those involved in illicit activity. Criminals engaged in international crime as a lucrative business venture have been among the main beneficiaries of globalization. Terrorism, arms sales, drug dealing, counterfeiting, piracy, human trafficking and money laundering have all exploded (Warde, 2007, p. 245). Enforcement has been arbitrary and selective; politically motivated crackdowns and fishing expeditions have become the norm. Minor financial irregularities and petty crimes obtain visible convictions and turn nickel and dime fraud cases into terrorism cases (Warde, 2007, p. 245). The war on terror has contributed to the enlargement of the shadow economy and increased financial crimes, even as the warriors declare the opposite to be true.

CUTTING OFF THE OXYGEN SUPPLY OR AN EXERCISE IN FUTILITY?

Despite all the efforts to cut off terrorism's lifeblood the truism that politically motivated terrorism requires comparatively meager budgets is often overlooked. Given the extent to which lawmakers have been eager to justify wiretaps, jettison civil liberties, forego the presumption of innocence until proven guilty, and to enforce guilt by association—all in the name of preventing terrorism and its financiers—the relatively small amount of assets blocked begs the question as to not only the effectiveness of the strategies utilized, but also the necessity of targeting terrorism finance as a means to halt terrorist acts. Terrorism after all is cheap. The London train bombing cost a mere one thousand bucks to carry out; the sole source of funding was a substitute teacher's salary (Atia, 2007) The 2002 Bali bombings cost an estimated 20,000 dollars to orchestrate and even the hugely devastating and spectacular impact 9/11 attacks only cost between 100,000 and 500,000 dollars to pull off (FBI estimate; Atia 2007, Warde, 2007). Thus, terrorism doesn't need a huge infusion of funds to be successful.

The dubious premise behind the government's targeting of terrorist financing is based on a money laundering paradigm which may not fit politically motivated terrorism the way it does for drug trafficking or other crimes that thrive in the underground economy. Despite the pecuniary motives of pop culture Hollywood terrorists in movies like *Die Hard*, real world terrorists, by and large, are not motivated by need for profit. The focus on the financial aspect of the war on terror may be more indicative of a lack of expertise on how to stop terrorism generally, rather than evidence of the actual significance of financial support to terrorist entities (Atia, 2007 p. 450). Western banking remains deregulated while Islamic entities are re-regulated. Financial surveillance measures insulate US government from accusations that it isn't doing enough, and compensate for the reality that the US is at a loss for precisely how to combat terrorism. The end result is ethnic or religious profiling of financial services. Muslim money is "marked" as other and scripted as illegitimate (Atia, 2007). This serves to vilify the Arab world and criminalize its financial activities and creates a discursive association between terrorism and Islamic charities. Although the government has failed to demonstrate a link between most of the targeted charities and any support for an act of terrorism, the investigative powers of the US government have had profound and long lasting effects on Muslim charities in America (Atia, 2007 p. 455). Numerous charities were incapacitated without being charged with any crime (Shinkle, 2005; Atia, 2007). Racial and religious profiling with 1.2 billion Muslims in the world may serve a symbolic purpose but it fails to provide a meaningfully small enough suspect pool to serve a constructive counterterrorist purpose.

The US government has danced on a political tightrope trying to balance between keeping the world open enough to allow capitalist logic to unfold relatively unfettered and keeping territorial logics stable and confined enough to prevent the rise of any significant threat

to US military and political dominance (Harvey 2003 p. 84; Atia, 2007 p. 464). As the United States searches to root out terror financing it simultaneously furthers its own economic self-interest by expanding its jurisdiction over foreign banks and by granting itself unilateral authority to freeze and confiscate assets. US policy also serves to favor large multinational corporate institutions by stripping informal financial institutions from any competitive advantage. When terrorism charges aren't possible, the government brings non-terrorist criminal charges against those it suspects of terror financing. For example, over \$200 million in assets were frozen under Executive Order 13224, but none of the prosecutions hailed as "successes" had any relation to 9/11 or Al Qaeda (Atia, 2007 p. 467). The war on terror financing as exemplified by the federal government's attacks on Islamic charities signals an expanded American veto power over capital mobility. The achievements in the war on terror have been predominately symbolic rather than material.

Western financing is privileged and the "gated economic communities" that obtain privileged status by staying in Washington's orbit through their loyal commitment to the United States' war on terror, enjoy competitive advantages in the global economy, not afforded those who choose to opt for alternative economic models (Warde, 2007, 2007b). It is in this context, that what Naomi Klein calls "disaster capitalism" flourishes (Klein, 2007). No bid contracts for reconstruction are awarded to US and European corporations that prove stunningly inept at rebuilding, because rebuilding is not their primary purpose. Corruption and incompetence serve to mask the deeper scandal that companies in Iraq exploit the desperation and fear created by the war to promote privatization schemes that benefit the contractors who profit from their own ineptitude while paradoxically using that incompetence to further justify their continued presence (Klein, 2007). Meanwhile, US-directed tightening of "know your customer" rules result in banks

making unreasonable demands on Muslim and Arab customers to ensure they are free of alleged links to terror, thus cutting off their access to funds, even as Western firms are given a free hand in accruing the spoils of war (Warde, 2007 p. 235). Ironically, the ensuing politically motivated aid to supporters of the war on terror may actually increase international opportunities for illicit activities that undermine the expressed goal of cutting off activity for global criminal funding. For example, the outsourcing of military operations and the spreading of US dollars as incentives increases rather than reduces the number of international operations conducted underground or “off-the-books” opening up more avenues for illegitimate commerce (Warde, 2007).

CONCLUSION: BLUNDERS OR REPRESSION BY DESIGN?: MANIFEST AND LATENT FUNCTIONS REVISITED

Ironically, the one truism that must not be spoken however is that US state policy towards terrorism in many ways is a mirror image of Al Queda’s strategy. Mahmoud Mamdani has pointed out the similar origins, motivations and strategies of the US counterterrorist state and the Al Queda terror network (Mamdani, 2004, p. 257). Mamdani argues that both the United States Government and Al Queda “see the world through lenses of power” and that their methods are eerily similar in that quest for power (Mamdani, 2004, p. 257). While the actions of the US in Iraq and Afghanistan and the Al Queda bombings of African embassies and the twin towers may be morally equivalent, Mamdani notes that they are not politically equivalent, because the Al Queda network is dwarfed by the scope, reach and power of the American state and its military apparatus (Mamdani, 2004).

Perhaps what we have uncovered isn't a latent function, maybe it is the real manifest function and the FBI and the state apparatus has been structured to go against political dissidents and selected minorities in the name of empire all along. Historical examples back this up. Not

until September 27th, 2001 does the US stop charitable contributions to groups that are affiliated with funding the terrorism of the IRA (WSJ 9/27/2001). While the public rationale for these raids and investigations has been to protect the homeland from acts of terrorism, the FBI's checkered past and its sometimes dubious choice of targets raises questions about that publicly espoused rationale. What instead emerges is a more complex portrait whereby the FBI employs deviance narratives to identify and select targets and that in so doing the stated objective to reduce the threat of terror may in fact, have little if anything to do with the targets selected and the discoveries made (Cunningham, 2004).

While in the popular culture, the FBI may still be largely valorized through cinematic representations, a look at the history of FBI activity in this country illustrates that the Bureau has been employed to neutralize dissent not only through criminal investigation, but also through intimidation, infiltration, harassment and disruption of dissident political groups and racial/ethnic minorities. In some instances the FBI has even resorted to lethal repression including murder and political assassination to further state policy. The role of government sponsored repression through the state's police apparatus has often been minimized or ignored by social scientists when researching the democratic state (McAmant, 1984). When viewing contemporary FBI behavior it is essential that the FBI's history of repression be considered rather than accepting state rationale for actions against alleged terror suspects at face value.

In the wake of September 11th, the FBI has participated in interfering with personal privacy by obtaining school records, in assaulting Muslim motorists and in disrupting Mosques, businesses and charities run by American Arabs and Muslims as well as in invading the homes of many Muslim and Arab-American citizens (Strout, 2007). While the FBI has conducted

A number of raids, investigations and arrests, since September 11th 2001, perhaps the most troubling behavior has been the relentlessness with which the FBI has attacked charitable organizations. Although President Bush has touted faith-based initiatives as an alternative to state welfare programs, clearly the faith-based initiatives being launched by Muslim and Arab leaders are subject to disruption and suspicion rather than cooperation and support. The use of sealed warrants to target and disrupt Islamic charities has been one of the unmistakable features of post 9-11 culture. Muslim men and women who have suffered income loss, increased victimization from hate crimes and a variety of other abuses in the private sector, have also been subjected to increased repression from the state and an assault on charities that they may be inclined to support. The post 9/11 FBI and law enforcement response has been crafted to neutralize political dissent, maintain white supremacy, and further the imperial projects of American neo-conservatism and neo-liberalism. Moreover, the FBI raids of Islamic charities serve to further engender empire and oppress the third world diasporas within the United States' borders as well as around the globe. Meanwhile, America's civil liberties continue to erode and the silent march towards a police state moves forward almost imperceptibly while the global financial networks the terrorists rely upon to plan, coordinate, and execute the next attack need very little oxygen to burn and remain largely undisturbed.

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