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Conspiracy, Treachery, and Terror: Ongoing Litigation Exposes CAIR’s Massive Web of Fraud and Deceit

Washington, D.C. (June 28, 2013) — This past Wednesday, the American Freedom Law Center (AFLC), a national, nonprofit Judeo-Christian law firm, filed another important document in a four-year court battle that has brought to light the Council on American-Islamic Relations’ (CAIR or CAIR National) elaborate ties to terrorism; its abuse of tax codes and corporate law; and most shockingly, its deliberate deception to the federal government regarding both its use of shell-corporations and its dubious funding sources.

AFLC’s brief, which was filed in the United States District Court for the District of Columbia, was the final brief in support of the Center for Security Policy’s (CSP) and several of its employees’ motion asking the court to grant summary judgment in their favor in a case in which the CSP defendants were sued by CAIR National for working on a documentary designed to expose CAIR National’s Muslim Brotherhood-Hamas ties and other illegal activities.

David Yerushalmi, Co-Founder and Senior Counsel of AFLC, commented: “While the IRS has been busy harassing conservatives, pro-Israel Jewish organizations, and Catholic charities, they have essentially turned a blind eye to CAIR, which has been running a money laundering scheme over several years by, among other things, siphoning money from abroad and hiding it within their various entities.”

Yerushalmi continued: “Thankfully, this litigation, through both the discovery process and forced document production, has peeled the layers of the onion off by uncovering CAIR’s dangerous agenda, which poses a real threat to our national security.”

In 2008, Dave Gaubatz, an experienced federal investigator, was hired as an independent contractor to put together a team of field researchers to assist in the documentary. As part of the field research, Dave Gaubatz trained his son, Chris Gaubatz, to work undercover as an intern

with CAIR National, which required Chris to wear an audio-video recorder on his clothing to obtain recordings of the routine activities of a CAIR National intern. During this internship, it became clear that both a major fraud occurred within the organization and that CAIR National officials were attempting to cover it up. (AFLC represents five former CAIR victims of that fraud in [a federal lawsuit](#) filed in the same court against CAIR National. AFLC has filed a motion for summary judgment in that lawsuit as well and is soon expecting a ruling from the court.)

After the field research for the documentary was completed, Dave Gaubatz published a book entitled, *Muslim Mafia: Inside the Secret Underworld that's Conspiring to Islamize America*, which was an exposé on CAIR National. Shortly after the book was published, CAIR National filed a lawsuit in federal court in Washington, D.C., against Dave and Chris Gaubatz. CAIR then amended its lawsuit to add CSP and several of its employees who were purportedly involved in the production of the documentary. CAIR's lawsuit alleges violations of various federal wiretap and hacking statutes as well as several common law torts, such as breach of fiduciary duty and trespass, among others.

CAIR was created in 1994 by the Muslim Brotherhood-Hamas operatives Omar Ahmad, Nihad Awad, and Rafeeq Jaber. By the 2000s, after building a network of local affiliates that funnel money to the D.C. organization, CAIR National attracted attention for receiving large sums of money from oil sheiks and other sponsors of terrorism. After 9/11 and after facing pressure from outside groups about its dubious funding sources from abroad – which they publicly denied – CAIR National dissolved into two separate organizations, CAIR Foundation (CAIR-F), a 501(c)(3) nonprofit, and the CAIR Action Network (CAIR-AN), a lobbying organization. Meanwhile, CAIR National continued to promote its organization as if it were a single entity founded in 1994.

Through this maze of shell-corporations and several real estate holding companies, which purchase properties with money from oil-rich sources in the Gulf, and unbeknownst to the IRS, CAIR has operated a fraudulent scheme in which they have been sheltering millions of dollars of illicit funding by moving money from these hidden foreign sources between and amongst the various shell corporations while perpetuating the illusion that there is only one organization.

Yerushalmi commented: “As a result of its dizzying array of cover-ups and fraudulent activities, CAIR has no coherent basis for explaining the structure and nature of its operations, much less the status of Chris Gaubatz when he interned with the organization. In this case,

CAIR has claimed all along that Chris interned with CAIR-AN, but that is impossible because CAIR-AN is a shell organization without any staff or operations. After AFLC uncovered this inconvenient fact, CAIR changed its tune so that now, at this advanced stage of the litigation and with the court poised to dismiss the lawsuit, CAIR has decided to claim that Chris really interned with CAIR-F, *not* CAIR-AN.”

Robert Muise, Co-Founder and Senior Counsel of AFLC, commented: “The audio-video recordings were made lawfully since the District of Columbia is a one-party consent jurisdiction. Thus, the only real question is whether Chris breached a fiduciary duty as a low-level, volunteer, unpaid intern by making and disclosing the recordings. However, it is absurd to argue that Chris should be held to some heightened level of duty under the law – a duty that is typically imposed upon paid, high-level executives – to an organization that apparently does not understand its own organizational structure, or indeed who interned with whom. In short, there was simply no mutual assent between the parties, which is required under the law to impose such a duty, particularly when one of the parties exists as a phantom organization. It is our hope, and expectation, that the court reaches the same conclusion and resolves the issue correctly – in our favor.”

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