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United States District Court
District of Columbia

United States of America ex rel.
TZAC, Inc.,

Qui Tam Relator Address:

305 Broadway Suite 601
New York, NY 10007

Plaintiff-Relator,

- against -

The Carter Center, Inc.
453 Freedom Parkway NE
Atlanta, GA 30307

Defendant.

Case: 1:15-cv-02001
Assigned To : Contreras, Rudolph
Assign. Date : 11/16/2015
Description: False Claims Act (E Deck)

COMPLAINT

SEALED

Plaintiff-Relator, complaining of the Defendant by its attorney, David Abrams,
Attorney at Law, respectfully sets forth and alleges as follows:

I. Nature of the Case

1. This is a false claims act claim. The Qui Tam Plaintiff and Relator, TZAC, Inc. ("The Zionist Advocacy Center" or "Relator"), alleges that the Defendant obtained funding from the United States Agency for International Development ("USAID ") by means of fraudulent certifications that it does not support terrorism.

II. Parties

2. The Defendant The Carter Center, Inc. ("The Carter Center") is an American-based non-governmental organization ("NGO") based in Atlanta, Georgia. As set forth in

more detail below, The Carter Center has regularly transacted business in Washington DC over the years by qualifying for; applying for; and receiving USAID dollars ;by partnering with the DC-based National Democratic Institute ("NDI"); and by regularly conducting programming activities in the District of Columbia (the "District.").

3. The Carter Center was founded by former President James Earl "Jimmy" Carter ("Carter"). At all times relevant to this Complaint, Carter served as a principal of the Carter Center and referred to himself as the "head" of the Carter Center.

4. The Defendant is very much anti-Israel. For example, the Carter Center web site contains a "trip report" by Carter describing his trip to Cairo in 2008. During that trip, Carter gave a presentation at the American University of Cairo where he stated that Palestinian Arabs in Gaza were being "starved to death" and received fewer calories per day than people in the poorest parts of Africa. (This, despite the fact that Gaza has one of the highest obesity rates in the world and receives far more humanitarian aid per capita than any other country or region -- more than 20 times that of Angola, Ethiopia, or Uganda.) Indeed, in 2007, there was a mass resignation from the Carter Center's advisory board over the Carter Center's "malicious advocacy" against Israel.

5. It is well known that Carter and/or the Carter Center have accepted substantial donations from persons and organizations with extreme anti-Israel and anti-Semitic views.

6. Of course the Carter Center and Carter himself have the constitutional right to slander Israel; to accept large donations from anti-Israel organizations in the Arab World; and to generally promote policies with the goal of weakening Israel.

7. However, as set forth in more detail below, the Carter Center has gone well beyond this and provided support and technical assistance to designated terrorist organizations such as Hamas and the Popular Front for the Liberation of Palestine.

8. Relator TZAC, Inc. ("The Zionist Advocacy Center" or "Relator" or "Plaintiff") is a subsidiary of the World Jewish Life Fund, Inc., a New York not-for-profit corporation. Its principle office is the State of New York, County of New York.

III. Compliance With Requirements of Suit

9. This matter has been or will be filed under seal pursuant to 31 U.S.C. Section 3730(b); at or about the same time, a copy of the Complaint, Sealing Order, and Relator's disclosure of evidence were or will be served on the Department of Justice and the United States Attorney for the Southern District of New York.

10. Relator will not serve the Complaint or any other papers in this matter until and unless it becomes unsealed. Thus, if the Complaint is served on the Defendant, it means that the matter has been duly unsealed.

IV. Jurisdiction and Venue

11. This Court has jurisdiction pursuant to 31 U.S.C. Section 3732(a) which provides that this type of action may be brought in any district where the Defendant resides or transacts business. In this case, the Defendant has transacted business in the District as follows:

12. First, in order to become eligible for the USAID funding which is the subject of this action, The Carter Center was required to register as a Private Voluntary Organization and submit application materials to USAID headquarters at 1300 Pennsylvania Ave. NW, Washington DC 20523.

13. Indeed, upon information and belief, all of the fraudulent certifications which are the subject of this lawsuit were submitted to USAID in the District.

14. Second, the Carter Center works closely with the National Democratic Institute in Washington DC.

15. Third, the Carter Center regularly has programming in the District. For example, it regularly hosts a "Human Rights Defenders" conference in which the participants are taken to the District as a part of the conference.

V. A Brief Statement of the Fraudulent Scheme

16. The Carter Center has received substantial USAID funding in recent years. In order to be eligible for funding, The Carter Center had to execute certifications indicating that it has not provided material support or resources to terrorist persons or entities in the last 10 years. ("Anti-Terrorism Certifications" or "ATC's") As set forth below, these certifications were false when made.

17. Although in the past, The Carter Center made no secret of the fact that its representatives regularly met with representatives of designated terrorist organizations, the Carter Center has not publicized the fact that its activities went well beyond simple meetings.

18. Further, if there was any doubt as to the meaning of the phrase "material support or resources," those doubts were resolved by the June 2010 United States Supreme Court decision of *Holder v. Humanitarian Law Project*, 130 S.Ct. 2705 (2010) in which the Supreme Court was called upon to interpret the phrase "material support or resources" and took a very hard line position.

19. Nevertheless, The Carter Center quietly continued to cross that line, clearly rendering itself ineligible for USAID funding. At the same time, the Carter Center continued to apply for and receive USAID funding for which it was not eligible.

VI. The Specific Fraudulent Statements of the Defendant

20. In order to obtain USAID dollars, The Carter Center had to execute ATC's in connection with the following grants:

ID Number	Dollar Amount	Date
AID482G1500001	\$499,832	06/04/2015

AID695A1500002	\$599,212	04/28/2015
7-330-0213210	\$1,138,406	11/12/2014
7-330-0213210	\$166,009	11/12/2014
7-330-0213210	\$519,259	11/20/2013
7-330-0213210	\$373,915	12/31/2013
7-330-0213210	\$89,340	12/31/2013
7-330-0213210	\$484,437	04/19/2013
7-330-0213210	\$519,655	04/26/2013
7-330-0213210	\$759,965	08/26/2013
7-330-0213210	\$978,175	04/26/2013
7-330-0213210	\$30,568	04/26/2013
7-330-0213210	\$295,471	04/19/2013
AID367A0900002	\$1,599,921	10/09/2012
AID623A1300006	\$1,462,628	02/25/2013
AID636G1300001	\$1,223,000	10/16/2012
AID669A001000045	\$1,000,000	09/23/2013
AID669A001000045	\$1,000,000	12/21/2012
AID367A0900002	\$250,000	10/25/2011
AID669G1100001	\$300,000	11/01/2011
AIDOAAG1200020	\$6,000,000	09/28/2012
7-330-0213210	\$580,887	09/30/2012
AID669A001000045	\$670,376	09/26/2012
AID675A001000018	\$300,000	11/02/2010
AID675A001000016	\$300,000	11/02/2010
AID623A1100021	\$1,800,000	03/28/2011
AID669A001000045	\$2,000,000	09/30/2011
AID524G1100004	\$100,000	04/07/2011
AID669G1100001	\$800,000	08/01/2011
AID669A001000045	\$1,500,000	12/30/2010
AID623A1100021	\$2,200,000	04/04/2011
AID367A0900002	\$250,000	02/11/2011
AID675A001000016	\$135,000	09/08/2010
AID675A001000016	\$646,793	05/27/2010
Total:	\$30,572,849	

21. Among other things, the ATC form contained certifications as to support of terrorism. The terrorism certification states as follows:

The Recipient to the best of its current knowledge, did not provide within the previous ten years, and will take all reasonable steps to ensure that it does not and will not knowingly provide, material support or resources to any individual or entity that commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated, or participated in terrorist acts

The document in turn defines "material support or resources" as follows:

currency or monetary instruments or financial securities, financial services, lodging, training, expert advice or assistance, safehouses false documentation or Identification, communications equipment, facilities, weapons, lethal substances, explosives, personnel, transportation, and other physical assets, except medicine or religious materials."

22. As set forth in more detail below, these certifications were false when made.

More specifically the Carter Center has provided material support or resources to Hamas and the Popular Front for the Liberation of Palestine, both of which are designated terrorist organizations.

23. The Carter Center has repeatedly hosted terrorist representatives at its facility in Ramallah. Even after the 2010 *Holder* decision, on or about May 2, 2015, the Carter Center hosted a meeting in Ramallah which included senior officials from various Palestinian political parties and Comrade Omer Shehada of the Popular Front for the Liberation of Palestine:



24. Mr. Shehada is the individual two seats from Carter's left.

25. The Popular Front for the Liberation of Palestine ("PFLP") has been a State Department Designated Foreign Terrorist Organization since 1997. Its history is replete with murders, kidnappings, hijackings, all aimed at innocent civilians.

26. Most recently, the PFLP claimed responsibility for the 2014 Jerusalem Synagogue Massacre in which 4 Jewish worshippers were brutally slaughtered with axes and knives.

27. Hosting a meeting such as this one with a PFLP representative constitutes material support or resources in several ways:

28. First, in a literal sense in that the PFLP representative was supplied with the physical assets of fruits, cookies, bottled water, and presumably other foods and drinks.

29. Second, in that the Carter Center provided the PFLP representative with a physical facility in which to participate in a meeting. This is not a trivial thing -- under Israeli law, it is illegal to belong to the PFLP and the Israeli authorities regularly enter cities such as Ramallah and arrest such individuals. Thus, the Carter Center was literally harboring a terrorist criminal and providing him with a safehouse or at least "facilities."

30. Finally, meetings such as the one pictured above, held in a welcoming and hospitable place, give terrorists the opportunity to network and connect with prominent individuals from various factions. The Carter Center may (and does) believe that this kind of assistance by provision of facilities is good policy, but under *Holder*, it is not a policy which an NGO can support and still receive USAID funding.

31. In any event, it should be noted that this was not the first time that the Carter Center has hosted terrorists. For example, in early 2006, the Carter Center (in Ramallah) hosted a meeting between Carter and Mahmoud Ramahi, a Hamas official.

33. In addition to meetings such as that described above, the Carter Center has sponsored a formal program (both pre and post-*Holder*) consisting of meetings, workshops, round-table discussions, and private consultations to promote dialogue and

discussion among Palestinian factions (including terrorist organizations) with the aim of promoting electoral consensus and general reconciliation.

34. Again, although the Carter Center may feel that this sort of technical assistance is good policy, it is simply not consistent with *Holder*.

35. These meetings, workshops, and consultations have primarily been conducted through the Carter Center's partner organization, the Arab Thought Forum. The Arab Thought Forum is an NGO based in Jerusalem which describes itself as an "impartial" organization dedicated to "Palestinian independence." Nevertheless, the Arab Thought Forum is very much anti-Israel in its views. For example, on its web site it claims that the well-documented Arab attempt to wipe out Israel in 1948 was actually just an effort to secure the lands which had been designated for the Arabs under the UN Partition Plan. Of course it is well known that the Arabs categorically rejected the UN Partition Plan.

36. Of course just like the Carter Center, the Arab Thought Forum has the right to lie about history in order to further its anti-Israel agenda. But it cannot, consistent with USAID funding, partner with the Carter Center to provide workshops, round table discussions, and private consultations for the benefit of designated terrorist organizations.

37. For example, on or about May 26, 2011, the Carter Center and the Arab Thought Forum organized a meeting in Ramallah to assist various Palestinian factions in developing a new electoral code. The meeting was attended by representatives of the Popular Front for the Liberation of Palestine and Hamas.

38. The Popular Front for the Liberation of Palestine is discussed above. As for Hamas, it hardly needs stating that Hamas has long been a designated terrorist organization. It would be an understatement to say that this designation, which has been in place since 1997, is well earned.

39. The history of Hamas is replete with examples of murders, kidnappings, and other violence aimed at innocent civilians. Indeed, to this day Hamas continues to launch rocket attacks from Gaza at Israeli towns and villages nearby.

40. Hamas is also well known for its intense anti-Semitism. For example, in 2012, a Hamas leader stated the following:

The Jews are behind each and every catastrophe on the face of the Earth. This is not open to debate. This is not a temporal thing, but goes back to the days of yore. They concocted so many conspiracies and betrayed rules and nations so many times that the people harbor hatred towards them. . . . Throughout history - from Nebuchadnezzar until modern times . . . They slayed the prophets, and so on . . . Any catastrophe on the face of this Earth -- the Jews must be behind it.

41. Of course the Carter Center has the right to provide technical assistance to organizations which hold these sorts of beliefs. But the Carter Center cannot -- consistent with receiving USAID dollars, provide any kind of assistance to organizations such as Hamas which engage in terrorism.

42. In any event, the Carter Center, through the Arab Thought Forum, held a series of meetings in or about May of 2011 in Ramallah, Jenin, Tubas, Nablus, Hebron, and Gaza. The meetings were attended by representatives of various Palestinian political factions including Hamas and PFLP. The stated purpose of the meetings was to promote reconciliation among these various factions.

43. The foregoing constitutes material support for terrorism in several ways. At a mundane level, the Carter Center was helping to provide a facility in which Hamas and PFLP could take part in a meeting. More fundamentally, if Hamas and PFLP are able to resolve their differences with each other and with other factions, it will free up more resources to engage in terrorism against Israelis. Carter may believe in good faith that promoting such reconciliation is ultimately good policy, but it is simply not reconcilable with *Holder*.

44. Moreover, these were not the first such meetings. For example, on or about June 13, 2009, Carter himself participated in such a meeting which included representatives of Hamas and PFLP.

45. Another such meeting, referred to as a "workshop of the Electoral Reform Project", held in May of 2010 was attended by Khalida Jarrar of the PFLP and Mahmoud Ramahi of Hamas.

46. In connection with promoting and hosting meetings, the Carter Center has also supported terrorist organizations by acting as a mediator.

47. For example, in or about December of 2008, Carter Center representatives met with Khaled Mishal, the head of Hamas and then delivered a message from Mishal to Mahmoud Abbas, the head of the PLO. The message was presented in person on December 20, 2008 by, among other people, Hrair Balian (the Carter Center's director of Peace and Dispute Resolution Programs) to Rafiq Hussein, a confidant of Mahmoud Abbas. Mr. Balian then carried the PLO's response back to Hamas.

48. Moreover, in connection with conveying these messages, the Carter Center representatives acted more than just as messengers. They used their skills as mediators to help the parties formulate messages intended to promote a resolution of the dispute. In other words, the Carter Center provided expert advice or assistance.

49. Accordingly, it is clear that the Carter Center has provided and continues to provide material support and/or resources to terrorist organizations in violation of its USAID certifications.

VII. (Count I) Violation of the False Claims Act

50. The False Claims Act imposes liability on a person or entity who " knowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim" 31 U.S.C. Section 3729(a)(1)(B)

51. The Courts have held that this can include false statements regarding eligibility to participate in a program. See *United States ex rel. Kirk v. Schindler Elevator Corp.*, 601 F.3d 94, 116 (2d Cir. 2010), rev'd on other grounds, 131 S.Ct. 1885 (2011) ("[C]laims may be false even though the services are provided as claimed if, for example, the claimant is ineligible to participate in the program.")

52. Thus, the Carter Center's certifications regarding support of terrorism violated the False Claims Act because they were false and required for eligibility for USAID dollars.

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VIII. Relief Sought

53. On behalf of the government, Relator is seeking judgment for the triple damages and civil penalties set forth in 31 U.S.C. Section 3729.

54. According to the government spending web site, the Carter Center received at least approximately \$30,572,000 in USAID grant funds over the last 6 years. These funds would have been received as a result of fraudulent certifications including those referred to above.

55. Accordingly, Relator seeks judgment in the amount of \$91,716,000 against the Carter Center and in favor of the United States, together with costs, interest, civil penalties, an appropriate qui tam award, and such other and further relief as the Court deems just.

Respectfully submitted,



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